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Montana Office of
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1992-1993 budget
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summary

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1992-1993 Budget and Appropriations Summary

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1992 - 1993 Budget and Appropriations Summary

Prepared by

**Office of Budget
and Program Planning**

**Helena, Montana
March, 1992**

TABLE OF CONTENTS

Introduction	1
1992-93 State Budget Summary	3
Graphic Summary	5
General Fund Disbursements and Appropriations, General Fund and Foundation Program Disbursements and Appropriations, State Special Revenue Fund Disbursements and Appropriations, General Fund Revenues.	
General Fund Revenue Estimates	9
Fund Transfers	10
General Fund Summary	15
Foundation Program Revenues	16
Foundation and Guaranteed Tax Base Summary	18
Major Budget Issues	19
General Government and Transportation	21
Judicial Branch, Legislative Branch, General Government, Transportation, Justice, Administration, Schedule of Contribution Rates, Retirement Bills-1991 Session.	
Human Services	27
Social Rehabilitation Services & Family Services, Labor & Industry.	
Natural Resources and Commerce	29
Commerce, Health & Environmental Sciences, Clark Fork River Basin Natural Resource Damage Lawsuit, State Trust Land Access for Recreational Purposes, Northern Cheyenne Water Compact, High-Hazard Dams, Water Storage, Hunting & Fishing License Fees, Development & Maintenance of Wildlife Game Ranges, Resource indemnity Trust Fund, Coal Severance Tax Distribution.	
Corrections and Human Services	37
K-12 Education	39
Public School Support, Board of Public Education.	
Higher Education	41
Community Colleges, Vocational-Technical System, State Colleges and Universities and attached agencies.	
State Employee Pay	46
Long-Range Building Program	47
Appropriation Constraints and Policy	49
Appendices	51
Appendix A: Capital Improvement Projects	53
Appendix B: Budget Summary by Fund	56
Appendix C: Agency Budget Summary: HB2	60
Appendix D: Appropriations Other Than House Bill 2	79
Index	81

INTRODUCTION

This report highlights major state budget information for the biennium beginning July 1, 1991 and ending June 30, 1993. It reflects appropriations and other action of the regular and January 1992 special sessions of the 52nd Legislature. The primary intent is to provide an easy reference to basic budgetary and appropriations data.

More detailed appropriations data can be found in the "Appropriations Report: 1993 Biennium" prepared by the Office of the Legislative Fiscal Analyst. This report has been reviewed by and generally subscribed to by the Governor's Office of Budget and Program Planning (OBPP) as being an accurate representation of legislative action.

This "Budget and Appropriations Summary" also includes highlights of selected issues which surfaced during and subsequent to the 1991 session. Many of these issues will merit further consideration during the next budget and appropriations cycle.

The Stephens Administration brought to the 1991 legislative session a package of twenty-nine pieces of legislation, twenty-two of which passed. Issues addressed by those bills that passed include jobs creation, access to health care, state water policy, the elimination of nuisance taxes and government streamlining. The few bills that did not pass addressed major efforts to privatize and reorganize state government, along with an effort (the Big Sky Dividend) to divert the revenue stream from the state's coal tax trust fund for ten years in order to revitalize Montana's infrastructure. Each of these issues will be revisited.

In addition, the Governor's goal at the outset of the 1991 Legislature was to adequately fund state services without a general tax increase. From this standpoint, the session was a good one. Reasonable funding increases were possible in many crucial areas, without a general increase in taxes, and an income tax surcharge was allowed to expire.

In July, 1991, Montana joined the long list of states whose revenues began to fall seriously short of estimates. In late 1991, the increase in human service costs and expenses for a bad fall fire season became apparent and quantifiable.

A two week special session of the legislature held in January, 1992, addressed most of the short term problems facing the state. Spending reductions, revenue increases, fund balance transfers and funding switches were used to resolve a \$106 million deficit, although both the legislature and the executive decried the necessary use of "one time" funding to address a substantial portion of ongoing costs. In addition, the administration expressed concerns at that time that an inadequate ending fund balance had been provided by the legislature to address unforeseen expenditures (early fire season, human service caseloads, etc.). This concern has led to further internal measures taken by the executive to limit expenditures.

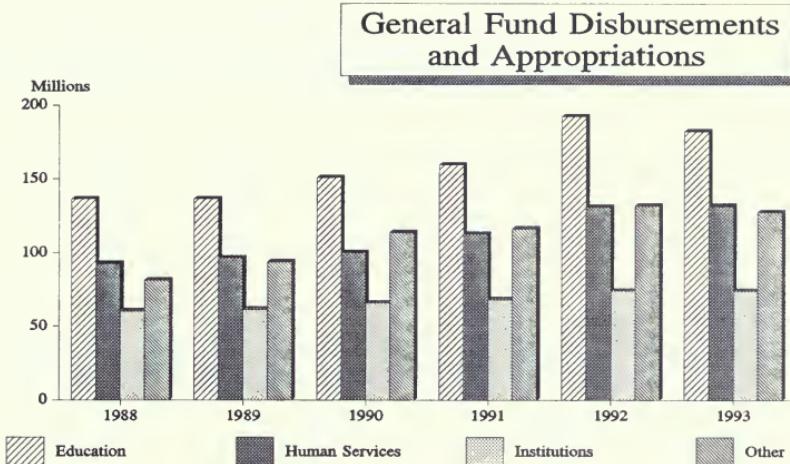
The combined effects of these short term problems and a well established, decade-long structural imbalance between revenue and expenditures will require the 1993 regular session of the legislature to make fundamental reassessments regarding spending and taxing priorities which will touch every area of state government and virtually every citizen.

This report was prepared by the Governor's Office of Budget and Program Planning.

1992-93 Budget and Appropriations Summary



1992-93 STATE BUDGET SUMMARY



The chart shows general fund actual disbursements for fiscal years 1988 through 1991 and general fund appropriations for fiscal years 1992 through 1993. The appropriated amounts include statutory general fund appropriations for debt service, personal property tax reimbursement payments to local governments and supplemental retirement payments. Appropriations for state employee pay are included.

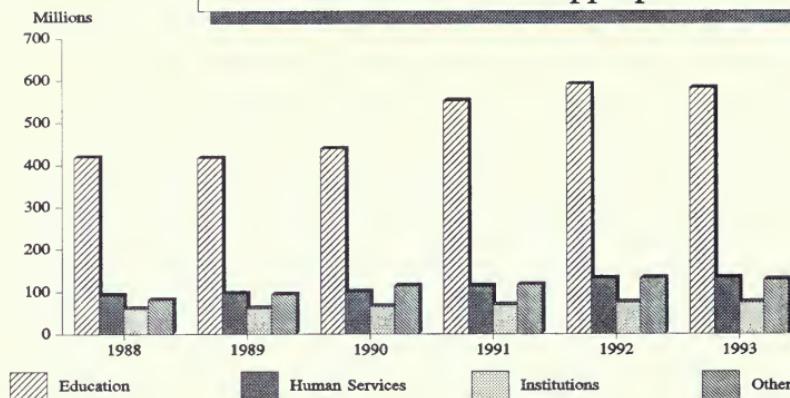
The chart illustrates the trends in general fund disbursements. The education category includes the Office of Public Instruction, the Commissioner of Higher Education and the Montana University System, the Board of Public Education and the School for the Deaf and Blind. Human services

includes the Departments of Social and Rehabilitation Services and Family Services.

Education commands the largest general fund commitment over the entire period. Its growth, at 34 percent, has been slower than that of human services.

As indicated by the chart, general fund commitments for human services have increased markedly over the period and are rapidly approaching the education category in general fund requirements. The human service component has increased by 42 percent over the period shown.

General Fund and Foundation Program Disbursements and Appropriations



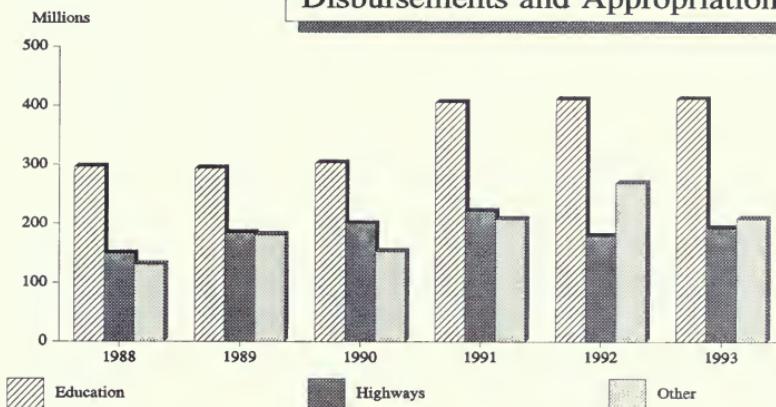
This chart includes all general fund and foundation program disbursements for fiscal year 1988 through 1991 and appropriations for fiscal years 1992 through 1993. The foundation and general fund are combined to provide a more complete picture of education spending than is possible from examining either fund in isolation. The previous general fund chart ignores most of the commitment to primary and secondary education because these levels are dependent on foundation program revenues.

The chart graphically illustrates the major commitment of state revenues to education. As indicated by

the data, the amount of state resources dedicated to education is more than four times larger than that spent on the next largest category, human services.

The chart also demonstrates the increased role of the state in funding education after the school funding revisions, which were implemented in fiscal years 1991 and 1992.

State Special Revenue Fund Disbursements and Appropriations



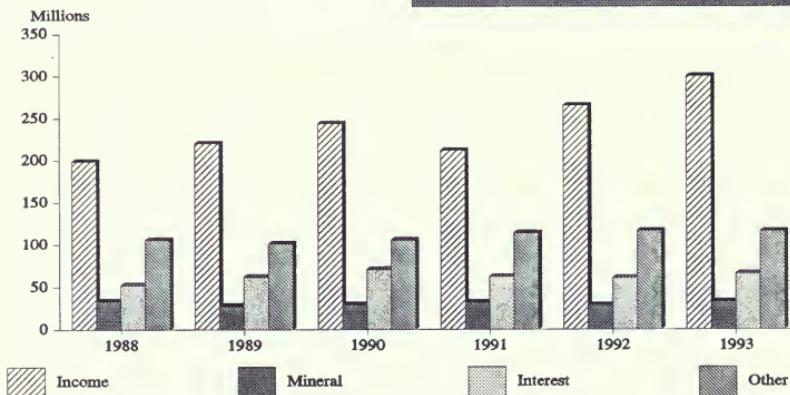
The state special revenue fund consists of money from a variety of state and nonfederal sources deposited in the state treasury to defray costs of particular agencies, programs or services of state government.

The foundation program and highway funds are the largest accounts of this category. Numerous other programs and regulatory functions comprise the other category.

The trend in education, primarily the foundation program, illustrates the effects of the additional 40

mill levy to fund primary and secondary education from the new school funding law. Most of the increase between fiscal years 1990 and 1991 is explained by the additional property tax levy.

The amount dedicated to highways and the other category has remained relatively constant over the period.

General Fund Revenues

The general fund revenue chart shows the relative importance and historic trends of four broad categories of sources. Fiscal years 1988 through 1991 represent actual collections. House Joint Resolution 1 of Special Session 1 estimates, adjusted for general fund revenue bills, are presented for fiscal years 1992 through 1993.

As indicated by the chart, the income category is the largest and most rapidly increasing source of general fund revenue. The category consists of general fund revenues from the individual income tax, the corporate income tax and the long range building program excess from income tax sources. Fiscal year 1991 is the only year to show a decline, but this is due to a change in the allocation that directed a larger proportion of receipts to the foundation program and unexpected shortfalls in collections from individual and corporate income taxes.

Major revenue legislation passed during the 1991 session and the special session which affected

individual income tax revenues included: SB226, which revised the taxation of retirement benefits; HB959, which required those requesting an extension to pay their taxes when filing for the extension; and HB14 of the special session, which established estimated tax payments similar to federal requirements. Changes in taxation of retirement benefits are expected to increase income tax collections by \$13 million and \$15 million in fiscal years 1992 and 1993, respectively. Requiring tax payments on April 15 for those who request extensions is expected to result in an additional \$11 million in collections in fiscal year 1992. The quarterly estimated tax payment requirements mandated by HB14 are anticipated to accelerate \$34 million of collections into fiscal year 1993.

The "other" category, which includes numerous miscellaneous taxes and fees, is the next largest category of revenue. This group has been fairly stable in total. Estimates for fiscal years 1992 and 1993 show the impact of numerous revenue

1992-1993 STATE BUDGET SUMMARY

measures, the most significant of which is increases in motor vehicle fees. There is also projected growth in a number of other sources.

The importance of mineral taxes is declining in absolute amounts and relative importance because of changes in production levels and tax rates. Fiscal year 1993 collections include a diversion of \$4.573 million of coal severance tax collections to the

general fund from the highway special revenue account because of special session action.

The projected growth in interest earnings is primarily due to increased coal tax revenues available to invest.

More detail on the composition of general fund revenues is provided in the general fund revenue table that follows.

General Fund Revenue Estimates

House Joint Resolution 1 Adjusted for Revenue Measures
(in Millions)

Source of Revenue	Actual FY 1990	Actual FY 1991	Estimated FY 1992	Estimated FY 1993	Actual FY 90-91	Estimated FY 92-93
Individual Income Tax	\$159,443	\$142,283	\$199,084	\$225,066	\$301,726	\$424,150
Corporation Tax	48,243	38,165	32,517	37,190	86,408	69,707
Coal Severance Tax	10,445	7,765	6,086	10,436	18,210	16,522
Oil Severance Tax	14,510	18,886	16,466	15,908	33,396	32,374
Interest on Investments	25,870	22,307	17,660	21,717	48,177	39,377
Long-Range Bond Excess	46,169	40,713	42,551	46,890	86,882	89,441
Coal Trust Interest	44,830	39,962	43,103	44,188	84,792	87,291
Insurance Premiums Tax	19,446	20,438	18,518	17,885	39,884	36,403
Institutions Reimburse.	12,285	14,141	14,447	13,821	26,426	28,268
Liquor Profits	3,500	7,750	5,363	4,301	11,250	9,664
Liquor Excise Tax	5,428	5,759	5,710	5,691	11,187	11,401
Inheritance Tax	9,049	9,340	9,704	9,969	18,389	19,673
Metal Mines Tax	3,665	4,639	4,661	4,460	8,304	9,121
Electrical Energy Tax	4,101	3,906	4,239	4,241	8,007	8,480
Drivers' License Tax	0.863	0.883	1,571	1,577	1,746	3,148
Telephone License Tax	3,760	3,900	4,009	4,325	7,660	8,334
Beer License Tax	1,268	1,293	1,272	1,280	2,561	2,552
Natural Gas Severance Tax	1,057	1,277	1,634	1,816	2,334	3,450
Freight Line Tax	1,166	1,298	1,197	1,193	2,464	2,390
Wine Tax	0.832	0.805	0.785	0.766	1,637	1,551
Video Gaming Income Tax	5,303	6,551	6,973	7,448	11,854	14,421
Motor Vehicle Account	6,208	7,845	7,882	8,056	14,053	15,938
Vehicle Fees	2,662	2,737	2,710	2,781	5,399	5,491
Other Revenue Sources	17,859	17,613	22,753	23,304	34,353	46,057
Total Current Year	\$447,962	\$420,257	\$470,895	\$514,309	\$867,101	\$985,204

The January, 1992 special session transferred funds from numerous special revenue accounts to assist in correcting the projected \$106 million general fund deficit of the 1993 biennium budget. These fund transfers are not included in the general fund revenue table above. They are presented in the following table with a brief explanation of each.

1992-1993 STATE BUDGET SUMMARY

FUND TRANSFERS AND OTHER ACTIONS TO INCREASE GENERAL FUND REVENUES

	FY 92	FY 93
Legislative Auditor		
Audit Special Revenue	\$22,159	\$10,200
Bond Assessment Fees		33,140
Judiciary		
Law Library Fees	11,000	26,000
Governor's Office		
ARCO Balance	28,000	
Sell Airplane	575,000	
Secretary of State		
Administrative Rules		20,000
Filing Fees		150,000
Records Management		20,000
Department of Justice		
Gambling License Fees		190,000
Crime Victim Compensation		250,000
State Special Revenue Accounts		60,800
Driver's License Reinstatement Fee		400,000
Department of State Lands		
Forest Fire Reimbursement	56,000	56,000
Department of Administration		
Social Security Interest	120,547	24,000
Computer Services Account	100,000	
Photocopy Pool	46,000	46,000
Capital Land Grant	103,000	
Department of Corrections and Human Services		
Fee for Court Ordered Evaluation		513,454
FY 90 Cost Settlement	1,050,012	
MSP Industries Account		605,212
Department of Commerce		
Science and Technology		19,000
Department of Labor and Industry		
Unemployment Insurance Administration	1,500,000	
Department of Military Affairs		
National Guard Federal Funds	183,431	
Federal Contracts		40,000
Department of Social and Rehabilitative Services		
Unreconciled Fund Balance	1,000,000	
Child Support Transfer		500,000
SEARCHES	200,000	
Child Support Operations	<u>17,235</u>	<u>27,613</u>
Total Deposits to General Fund	\$5,012,384	\$2,991,419

1992-1993 STATE BUDGET SUMMARY

FUND TRANSFERS AND OTHER ACTIONS TO INCREASE GENERAL FUND REVENUES

Legislative Auditor

Audit Special Revenue

The Office of the Legislative Auditor must deposit \$22,159 in FY92 and \$10,200 in FY93 from the legislative audit state special revenue account to the general fund. The amount of the cash transfer is calculated such that the necessary minimum cash operating balance will be maintained in the legislative audit account.

Bond Assessment Fees

The Legislative Auditor is instructed to work with agencies to ensure \$33,140 of bond assessment fees are deposited in the general fund in FY93.

Judiciary

Law Library Fees

HB2 instructs the state law library to increase fees for use of the automated legal data base and telefax services. The program must raise fees sufficient to deposit \$11,000 in FY92 and \$26,000 in FY93 to the general fund.

Governor's Office

ARCO Balance

The Governor's Office will deposit the remaining cash balance in the ARCO Coal Company Clark Fork River state special revenue account to the general fund during FY92. The cash balance remains from funds provided by ARCO for the Clark Fork Demonstration Project.

Sell Airplane

HB2 directs the Governor's Office to sell its airplane for an amount sufficient to deposit \$575,000 in the general fund in FY92.

Secretary of State

Administrative Rules Account

The Secretary of State must make a one-time deposit of \$20,000 from the administrative rules state special revenue account to the general fund during FY93.

Filing Fees

The legislature instructed the Secretary of State to raise corporate filing fees by an amount sufficient to deposit an additional \$150,000 in the general fund in FY93.

Records Management

The Secretary of State must make a one-time deposit of \$20,000 from the Records Management Bureau proprietary account to the general fund during FY93.

Department of Justice

Gambling License Fee Account

The Department must transfer \$190,000 from its gaming license special revenue account to the general fund in FY93.

Crime Victim Account

HB21 of the special session requires the Board of Crime Control to deposit \$250,000 from the crime victim state special revenue account to the general fund in FY93.

1992-1993 STATE BUDGET SUMMARY

FUND TRANSFERS AND OTHER ACTIONS TO INCREASE GENERAL FUND REVENUES

Justice State Special Revenue

The Department of Justice must transfer approximately \$60,800 from various state special revenue accounts to the general fund in FY93.

Driver's License Reinstatement

The 1991 Legislature amended 61-2-107, MCA, to distribute one-half of the license reinstatement fees to 128 incorporated cities and towns for distribution by them to state and local government entities and to private entities. The legislature in special session amended the law to require this \$400,000 be deposited to the general fund to save excessive administrative overhead at both state and local levels of government.

Department of State Lands

Federal Forest Fire Reimbursement

The Department of State Lands will reduce its expenditures from federal revenue by \$56,000 each year. This will increase the amount of federal revenue transferred to the general fund by a like amount. The federal fire reimbursement funds are received by the department for expenses incurred from loaning department personnel to federal agencies to assist in fire suppression activities. The legislature had appropriated \$100,000 each year of the 1993 biennium.

Department of Administration

Photocopy Contract Savings

Favorable rates on the new photocopy term contract reduce the Department of Administration commitment to purchase eight photocopiers. The new contract allows the department to transfer excess cash reserves of \$46,000 each year of the 1993 biennium to the general fund.

Computer Services & Telecommunications

Consolidation of the computer services and telecommunications internal service funds enhances cash flow which, in turn, reduces the capital reserve requirements. The department estimates these cash flow improvements will generate an excess fund balance of \$100,000 in FY92 which will be transferred to the general fund.

Interest on Social Security Contributions

Pursuant to 19-1-602, MCA, interest earned on social security contributions received by the Public Employees' Retirement Board in excess of any amount it is required to pay to properly administer the Social Security Act must be transferred to the general fund. The Department of Administration estimates interest earnings of \$120,547 in FY92 and \$24,000 in FY93 will be transferred to the general fund.

Capital Land Grant

The capital land grant account partially funds maintenance on state buildings. The special session eliminated one parking lot project and directed remaining funds from certain completed projects totalling \$103,000 be deposited in the general fund in FY92.

Department of Corrections and Human Services

FY90 Cost Settlements

Underpayments associated with provider costs for FY90 will add \$255,253 at EHSC, \$668,115 at MDC, and \$126,644 at MSH in new federal Medicaid revenue during FY92. The Department of Social and Rehabilitation Services must bill the federal government \$1,050,012 and the Department of Corrections and Human Services will deposit the increased revenue to the general fund.

1992-1993 STATE BUDGET SUMMARY

FUND TRANSFERS AND OTHER ACTIONS TO INCREASE GENERAL FUND REVENUES

Court-Ordered Evaluations

The Department of Corrections and Human Services may charge counties for court-ordered evaluations, pursuant to 46-14-202, MCA, although the department has not done so in the past. Revenue income of \$513,454 in FY93 is an increase to the general fund in accordance with current law. The charges are implemented in FY93 only to give counties time to include this adjustment in their budgets.

Prison Industries Revolving Account

The Department of Corrections and Human Services will have an excess of \$605,212 in its internal services fund for the industries program at the prison, after the equipment authorized by the 1991 Legislature is purchased and cash flow needs are taken into consideration. This amount must be transferred to the general fund.

Department of Commerce

Science and Technology Account

HB18 of the special session limits the Science and Technology state special revenue account balance to \$50,000. Any amounts in excess of this limit must be transferred to the general fund. In FY93 it is anticipated \$19,000 will be transferred to the general fund.

Department of Labor and Industry

Unemployment Insurance (UI) Administration Account

Section 39-51-406, MCA, authorizing the unemployment insurance administration account, which receives an assessment of 0.1% of payroll subject to unemployment insurance tax, restricts use of the funds for administration of programs delegated to the Department of Labor. A temporary amendment to that section transfers \$1.5 million to the general fund at the end of FY92. Based on department records for FY83-FY91, the transfer will result in a projected FY93 ending fund balance of approximately \$2.1 million, which with the estimated 1995 biennium revenues is anticipated to be sufficient for current level needs plus fund a comparable pay plan in the 1995 biennium without an increase in the assessment rate.

Department of Military Affairs

National Guard Federal Account

The remaining cash balance in the National Guard federal special revenue account, estimated to be approximately \$183,431, must be deposited to the general fund during FY92.

National Guard Contracts Administration

Approximately \$40,000 must be deposited to the general fund by the Department of Military Affairs from charges to the federal National Guard Bureau for contracts administration during the 1993 biennium.

Department of Social and Rehabilitation Services

Unreconciled Balance in Federal Account

A legislative audit of SRS in FY91 indicated that approximately \$2.5 million in the department federal account actually belonged in the general fund. After the 1991 Legislature, in FY92, SRS transferred to the general fund \$1,500,000 from its unreconciled federal account. The agency must transfer an additional \$1,000,000 during FY92 to the general fund.

Child Support Enforcement State Special Transfer

The 1991 Legislature, in HB2, directed the agency to transfer all cash in its CSE state special revenue account over \$500,000 to the general fund at the end of each fiscal year. The amendments to HB2 made in the special session directed the program to transfer the entire cash balance of the account to the general fund at the end of FY92, and any cash balance in excess of \$500,000 to the general fund at the end of FY93.

1992-1993 STATE BUDGET SUMMARY

FUND TRANSFERS AND OTHER ACTIONS TO INCREASE GENERAL FUND REVENUES

SEARCHS Development

A development contract for SEARCHS, the computer System for Enforcement And Recovery of CHild Support, has been implemented at a cost lower than anticipated during planning. HB2 language requires that all CSE state special revenue funds at the end of Fiscal Year 1992 be transferred to the general fund. Therefore, the \$200,000 in savings must be transferred to the general fund at the end of FY92.

Child Support Operations

The agency plans a reduction in operating expenses in the CSE Program. Since these planned reductions will increase the balance over the CSE fund limit the savings must be deposited in the general fund. Savings of \$17,235 in FY92 and \$27,613 in FY93 will result in transfer of a like amount to the general fund each year, respectively.

1992-1993 STATE BUDGET SUMMARY

General Fund Summary

House Joint Resolution 1 with Revenue Measure Adjustments
(in Millions)

	<u>Actual FY 90</u>	<u>Actual FY 91</u>	<u>Estimated FY 92</u>	<u>Estimated FY 93</u>
Beginning Fund Balance	\$67.234	\$89.038	\$58.700	\$15.884
Receipts				
Estimated Revenue	\$447.962	\$420.257	\$470.895	\$514.309
Total Available	\$515.196	\$509.295	\$529.595	\$530.193
Disbursements				
Budgeted Disbursements	432.323	457.612	469.577	450.693
Legislative Feed Bill			0.536	4.500
Misc. Appropriations			5.771	7.821
Pay Plan Proposal			12.962	20.914
Supplemental Requests				8.500
TRANS Interest			2.548	7.975
Debt Service			10.817	11.754
Property Reimbursement			19.101	19.101
Retiree Supplement			3.340	3.730
Language Appropriations			0.071	
Reversions			-5.000	-5.692
Total Disbursements	\$432.323	\$457.612	\$519.723	\$529.296
Adjustments	5.969	5.904		
Residual Equity Transfer	0.196	1.113	6.012	2.991
Ending Fund Balance	\$89.038	\$58.700	\$15.884	\$ 3.888

The fund transfers, appropriation reductions, funding switches, and revenue measures approved by the January, 1992 special session were all necessary to correct a projected \$106 million deficit by the end of FY93. The table above provides the projected general fund balance after these actions. As noted in the table, the 52nd Legislature left the state's general fund precariously balanced. Only a \$3.888 million ending fund balance is projected for the end of the biennium. Obviously, this slim balance is of major concern. Either expenditure overruns in excess of the \$8.5 million included in the balance sheet above, lower reversions and/or minor revenue shortfalls could create a deficit that would have to be dealt with in another special session. As a result, the fiscal condition of the general fund must be monitored closely throughout the remainder of the biennium to ensure the ending fund balance remains positive.

1992-1993 STATE BUDGET SUMMARY

Foundation Program Revenues

House Joint Resolution 1 Special Session I Adjusted for Revenue Measures
(in Millions)

Source of Revenue	Actual FY 1990	Actual FY 1991	Estimated FY 1992	Estimated FY 1993	Actual FY 90-91	Estimated FY 92-93
State Equalization						
Individual Income Tax	\$92.787	\$115.934	\$90.349	\$102.140	\$208.721	\$192.489
Corporation Tax	18.845	18.849	15.193	17.376	37.694	32.569
Coal Severance Tax	2.579	5.752	4.508	4.344	8.331	8.852
Interest and Income	34.707	35.866	39.397	41.933	70.573	81.330
US Oil & Gas Royalties	20.241	21.928	25.005	24.395	42.169	49.400
Education Trust Fund Interest	.713	.177	.554	1.690	1.713	2.244
40 Mills	.000	56.993	63.003	64.161	56.993	127.164
Interest Earnings	.142	.141	.290	.000	.283	.290
Miscellaneous (1)	14.488	0.000	14.937	8.838	14.488	23.775
Coal Trust Interest	.000	7.037	7.606	7.798	6.214	15.404
Lottery	.000	4.200	5.025	5.048	4.200	10.073
Total State Equalization	\$184.502	\$266.878	\$265.867	\$277.723	\$451.380	\$543.590
County Equalization Revenue						
55 Mills (2)	84.976	84.872	86.513	88.104	169.848	174.617
Elementary Transportation	(3.741)	(3.905)	(0.000)	(0.000)	(7.646)	(0.000)
High School Tuition	(.892)	(1.011)	(.993)	(.899)	(1.903)	(1.892)
Forest Funds	1.627	1.523	1.744	1.409	3.150	3.153
Taylor Grazing	.117	.118	.119	.114	.235	.233
Miscellaneous (3)	9.663	27.674	24.157	19.493	37.337	43.650
Total County Equalization	\$91.750	\$109.271	\$111.540	\$108.221	\$201.021	\$219.761
District Revenue						
Permissive Levy	\$16.653	\$0.000	\$0.000	\$0.000	\$16.653	\$0.000
GRAND TOTAL	\$292,905	\$376.149	\$377.407	\$385.944	\$669.054	\$763.351

(1) Includes Education Trust Fund in fiscal 1990.

(2) 45 mills in fiscal 1990, county surplus included with county equalization revenue.

(3) Includes Cash Reappropriated, in fiscal 1991 \$9.817 million of prior year county surplus is included

Foundation program revenues increase dramatically in fiscal 1991 with the implementation of HB28 and the revised school equalization structure. In HB28 a 40-mill statewide property tax levy was established, allocations of personal and corporate income taxes for school equalization were increased, the local government severance tax was initiated to replace property taxes on oil and gas, the 45-mill county levy was raised to 55 mills, and both lottery proceeds and 15 percent of permanent trust interest were allocated to school equalization. These additional revenues were used to fund the expanded school foundation program and guaranteed tax base.

1992-1993 STATE BUDGET SUMMARY

Special session actions

The 1991 Legislature, in regular session, left a need for a supplemental appropriation of \$11.2 million as more expenditures were appropriated from the equalization account than was anticipated in HJR24 to be available. Subsequent to the session, actual revenues for fiscal year 1991 and revised projections for the 1993 biennium indicated a further shortfall of \$30.4 million. Additional information on school year 1992 costs indicated they will exceed original projections by \$936,000. The total shortfall would be \$42.5 million.

Late in the 1991 legislative session, the conference committee on HB2 appropriated \$7.8 million from the school equalization account to fund the increased state share of school transportation reimbursements resulting from SB82. This occurred at a time when expenditures from this account already exceeded anticipated revenues. When the affects of other legislation upon equalization account revenues were added, the legislative action left a \$11.2 million deficit which would have to be covered with a supplemental appropriation from the general fund.

Revenues for school equalization were \$22.5 million less in fiscal year 1991 and are anticipated, based on HJR1 of Special Session 1, to be \$7.9 million less in the 1993 biennium than anticipated in HJR 24. The fiscal year 1991 shortfall included \$6.6 million of statewide levy revenue that was due in fiscal year 1991 but not received until after the year end nor recorded as an accrual with the result that it will be recorded in fiscal year 1992. It is anticipated that the Office of Public Instruction will make the necessary accruals to record the fiscal year 1992 revenue in fiscal year 1992. The major shortfalls are: personal income tax, which is anticipated to be short \$17.2 million over the three fiscal years; lottery, which is anticipated to be short \$3.0 million; and the 95 mills on property which is anticipated to be short \$5.8 million.

The cost of the foundation and guaranteed tax base is \$936,000 higher than estimated for fiscal year 1992,

based upon preliminary budgets received by the Office of Public Instruction. Since this is within one-fourth of one percent of the initial OBPP estimate, no adjustment is made for fiscal year 1993.

The legislature in special session acted to eliminate the shortfall in the School Equalization Account (SEA) by allocating additional revenues, increasing revenues, and adding a general fund appropriation. Revenue from the sale of timber on state lands which previously was deposited in the permanent fund is reallocated to the SEA which increases funds available to the SEA by \$4.6 million. The Coal Board is required to reduce expenditures and grants to preserve \$2.1 million for transfer to the school account.

Requirements to pay quarterly estimated taxes add \$9.7 million in personal income tax receipts to the school account. The Department of Revenue, by increasing and targeting audit activities, is anticipated to generate an additional \$2.6 million. Finally, a general fund supplemental appropriation of \$24.1 million was approved.

Based on HJR1 estimates of revenue and the projected expenditures from the school account the Governor's Office anticipates \$692,000 of the supplemental to revert at the end of the biennium. The table on the following page summarizes the revenue and expenditures of the school equalization account for the 1991 and 1993 bienniums. The general fund appropriation shown in this table totals \$23.4 million compared to the \$24.1 million appropriated based on the anticipated \$692,000 reversion.

As noted previously in this report, the revenue estimates contained in HJR1 of the special session are quite optimistic. Should these estimates prove to be high, another supplemental may be required in the 1993 regular session to complete funding of school equalization.

1992-1993 STATE BUDGET SUMMARY

Foundation and GTB Summary

House Joint Resolution 1 Special Session I with Revenue Measure Adjustments
(in Millions)

	<u>Actual FY 90</u>	<u>Actual FY 91</u>	<u>Estimated FY 92</u>	<u>Estimated FY 93</u>
Beginning Fund Balance	\$15.309	\$20.592	\$9.481	\$0.000
Receipts				
Estimated Revenue	\$292.905	\$376.149	\$377.407	\$385.944
General Fund Appropriation			10.868	12.570
Total Available	\$308.214	\$396.741	\$397.756	\$398.514
Disbursements				
Foundation	\$287.623	\$347.047	\$347.200	\$347.016
Guaranteed Tax Base	.000	44.382	46.500	47.436
Transportation	.000	.000	3.908	3.914
Telecommunications	<u>.000</u>	<u>.000</u>	<u>.148</u>	<u>.148</u>
Total Disbursements	\$287.623	\$391.429	\$397.756	\$398.514
Adjustments		4.169		
Ending fund Balance	\$20.592	\$9.481	\$0.000	\$0.000

Costs of school equalization rose in excess of \$100 million in fiscal year 1991 because of implementation of HB28 with its increased schedules, expanded foundation program and the addition of guaranteed tax base (GTB) aid for school district general fund budgets and county retirement funds. In fiscal years 1992 and 1993, no increases in foundation schedules are granted; foundation costs remain relatively constant as increased enrollments are offset by a change in the computation of foundation payments for certain schools. Guaranteed tax base payments rise because schools spending less than their entire permissive amount are anticipated to increase spending to the permissive limit over the two years. A change in provisions allowing districts to carry certain funds in reserves further increases the cost of GTB aid.

In the 1993 biennium, transportation and telecommunications are partly funded from school equalization funds for the first time.

The table indicates the consumption of the \$20.6 million fund balance as well as the \$23.4 million of general fund supplemental appropriation over the three fiscal years. In addition, \$12.7 million of the 1993 biennium revenues represents one-time collections which will not be available under current law in the 1995 biennium. This excess of expenditures over revenues and use of one time revenues will require either increased supplementals in the 1995 biennium or increased revenues or reduced expenditures.

1992-93 Budget and Appropriations Summary



MAJOR BUDGET ISSUES

GENERAL GOVERNMENT AND TRANSPORTATION

THE JUDICIAL BRANCH

The Judiciary budget increased by 71.5% over the 1991 biennium authorized level; however, the transfer of the district court criminal reimbursement program from the Department of Commerce accounted for 52% of the increase. The transfer included 1.00 FTE. Another 0.50 FTE was added in FY93 for the new 21st Judicial District judge. The most significant actions of the 52nd Legislative Assembly are summarized below.

Judicial Pay Increases. SB228 increased salaries for Supreme Court justices and district court judges by \$8,000 for the biennium for each justice and judge. The increases will be phased in at the rate of \$2,000 every six months beginning July 1, 1991. Total general fund cost will be approximately \$500,000 during the 1993 biennium. The bill also provides for fee increases in district courts which are estimated to increase general fund revenue by \$705,000 for the biennium.

Court Automation. HB903 appropriated \$386,400 from the general fund and \$200,000 from federal special revenue to the Supreme Court for court automation projects to improve information and case management systems. The bill also directed the Department of Social and Rehabilitation Services to deposit all money in the Human Services Division federal special revenue account to the general fund prior to July 1, 1991. The balance in that account is associated with the former Department of Community Affairs grant closeouts; the cash balance was \$420,798 as of June 30, 1990. Modified level funding was continued for 2.00 FTE in the Supreme Court Operations program to provide technical support for automation projects.

Judicial Budget Request Independence. SB229 provided for increased separation of powers between the executive and judicial branches by requiring that judicial branch budget requests be included in the budget submitted by the Governor. Expenditure requests above current level funding are not required to be included in the Governor's balanced financial plan pursuant to 17-7-123, MCA.

District Court Transfer and Funding. HB864 transferred state district court reimbursement administration from the Department of Commerce to the Supreme Court, effective July 1, 1991. The Supreme Court currently manages the District Court Operations program which funds salaries, benefits, training, and travel for all district court judges. The staff and funds transferred from the Department of Commerce reimburse, to the extent of the amount appropriated, certain district court expenses incurred in the conduct of criminal cases. The district court reimbursement program has 1.00 FTE and a general fund appropriation of \$5,747,000 for the 1993 biennium. HB312 changed distribution of the existing .5% local option vehicle tax so that counties will receive 50%; the remaining 50% will be distributed to counties and cities and towns, based on population. The revised distribution will provide counties with additional discretionary funds which may be used for the county share of district court expenses.

New Judicial District. HB934 created the 21st Judicial District in Ravalli County and added the 37th district court judge to serve that district. The new judge must be elected at the November 1992 general election and take office on January 1, 1993.

THE LEGISLATIVE BRANCH

Additional FTE for Legislative Auditor. 7.50 FTE were added to the Office of Legislative Auditor, representing a 12.5% increase in total authorized FTE. Of these, 5.50 FTE will be funded by state special revenue audit fees charged to other state agencies; the other 2.00 FTE will be charged directly to the general fund. The new staff will be used to meet increased workload, including work related to legislation passed during the 1991 session.

Legislative Branch Computer Network. General fund of \$139,696 and 1.00 FTE were added to the Legislative Council to support legislative branch computer network centralization as recommended by the legislative branch computer system planning council. Expenditure of the funds is contingent on approval by the joint legislative administration committee. The modified level budget for the Office of Legislative Auditor also includes \$37,000 in general fund and state special revenue support for this project.

GENERAL GOVERNMENT

State Agency Records Management Transferred to Secretary of State. HB897 transferred most state agency records management functions from the Department of Administration to the Secretary of State. 8.25 FTE were transferred from DOA. Another 1.00 FTE was added with a sunset provision if the person who occupies the position retires or takes another position. This transfer consolidates state records management in an agency which currently has its own records management program for legislative and executive acts, corporate documents, Uniform Commercial Code filings, agricultural liens, and certain election documents.

Juvenile Detention Legislation. Several interrelated juvenile detention bills were passed by the 52nd Legislative Assembly in response to federal mandates for separate juvenile detention services and facilities. Responsibility for implementation is assigned to the Crime Control Division and the Montana Board of Crime Control. Funding is authorized by SB37 which statutorily appropriates a percentage of net state lottery revenue, not to exceed \$1 million per fiscal year, to the Board of Crime Control for grants to counties for youth detention services. As an incentive to create non-secure detention programs, the state offers a 75% state match for such programs. Only a 50% rate is offered for secure detention and transportation services. SB37 also clarifies county responsibility to provide youth detention services and allows for regional secure detention centers accessible through interlocal agreements. HB74, as amended by the Governor, authorizes a local government levy for juvenile detention programs for the purpose of financing the establishment and operation of juvenile detention programs. The levy must be approved by a majority of the qualified electors voting on the question. Other interrelated legislation deals with short-term exceptions to allow juveniles to be held in adult jails, prohibiting the detention of status offenders in secure detention, and evaluation requirements.

Commissioner of Political Practices. The regular session of the legislature authorized a \$45,000 biennial general fund appropriation for legal fees and court costs for anticipated contract services necessary to investigate and resolve a major case involving alleged violations of campaign practices. The special legislative session reduced this appropriation by \$17,156, but added language to allow the

Commissioner to allocate a portion of this reduction to another, separate appropriation for a new 0.25 FTE part-time assistant.

State Warrant Writing System. The legislature modified the funding source for the state warrant writing system in the State Auditor's Office and the costs of operating the system. Warrant writing was formerly funded entirely by the general fund. In the 1993 biennium, state special revenue will replace a portion of the general fund through warrant processing fees charged to three of the largest non-general fund users: the State Compensation Mutual Insurance Fund, the Department of Fish, Wildlife and Parks general license account, and the Department of Transportation highways special revenue account. The State Auditor also was directed to present a cost recovery plan to the Office of Budget and Program Planning and the Legislative Fiscal Analyst for the 1995 biennium.

The general fund portion of system operating expenses was increased by \$188,700 to reflect higher utilization and expenses incurred during the current biennium. The legislature authorized a similar supplemental appropriation for 1991 in the amount of \$283,600, which included postage for mailing an increased number of warrants.

Within the same program but unrelated to the warrant system, HB38 authorized the creation of a proprietary account for the bad debts collection system to be funded with a portion of bad debt collections revenue from debts written off by other state agencies. This reduced general fund support of the function by \$173,000 for the 1993 biennium. An additional 2.00 FTE were added to the current level 3.00 FTE to increase collection efforts.

Department of Military Affairs. \$100,435 was appropriated for a new environmental unit for the Army National Guard Program. Of that amount, \$81,932 is federal authority. To enable the department to manage compliance with various federal, state and local environmental laws and regulations, a new 1.00 FTE was added to this unit, and an underfunded current FTE was fully funded.

Construction and maintenance at the veterans' cemetery at Fort Harrison is funded through two new sources: HB179 appropriates \$45,600 for the biennium from the general fund for maintenance; HB723 allows for the purchase of special license plates for veterans and holders of the Purple Heart

MAJOR BUDGET ISSUES

Medal and allocates a portion of the fees for use in maintenance and construction. The appropriation is \$54,000 from state special revenue and \$45,000 from federal construction funds applicable to HB723.

Decreased Funding for Governor's Office. The 52nd Legislature reduced funding for current level operations of the Governor's Office for the 1993 biennium. Excluding the amount added for the purchase of the new aircraft discussed in the next paragraph, total funding decreased 16.2% below actual expenditures for the 1991 biennium. General fund appropriations decreased 3.9% below the 1991 biennium general fund expenditures.

The first special session of the 52nd Legislature made two major decisions affecting the use of the executive aircraft. Language in House Bill 2 directs the Governor "to sell the governor's airplane for an amount sufficient to deposit approximately \$575,000 in the general fund in fiscal 1992 after selling costs." This language necessitates a selling price greater than \$575,000. Further, \$175,000 was added to the air transportation appropriation for fiscal 1992 to purchase a new aircraft. Air transportation operating expenses also were reduced by roughly 25% for the biennium on the assumption that the new aircraft will be less costly to operate because of reduced capacity and power.

State Compensation Mutual Insurance Fund. Among several actions taken by the 52nd Legislative Assembly, the following are particularly noteworthy.

1. Costs associated with the collection of the employer payroll tax were reduced in FY92 and eliminated entirely in FY93 since this function will be transferred to the Department of Revenue effective July 1, 1991. With the exception of these employer payroll taxes, funding for the State Fund is derived from policyholder premiums.
2. An appropriation of \$1.9 million and 32.90 FTE will enlarge the claims management program and enhance general operations.
3. HB187 requires a method of computing workers' compensation premium rates for the construction industry that does not impose a higher premium solely because of an employer's higher rate of wages.
4. HB837 includes major revisions to the benefits section of the Workers' Compensation Act, particularly in the areas of permanent partial

disability and rehabilitation.

5. SB130 limits workers' compensation payments for prescription drugs to the purchase of generic products, with some limited exceptions.
6. SB383 includes a new definition of "temporary service contractor" and "temporary worker" and defines the motor carrier responsible for the driver's coverage.
7. HB995 grants the Board of Investments authority to sell \$220 million in bonds for the payment of claims resulting from injuries which occurred prior to July 1, 1990. The payroll tax will repay the bonds. The revenue bonds will replace the loans from the State Fund to the "old" claims account which would have caused significant premium rate increases in future years. The revenue bonds will provide the means to retire the unfunded liability; the State Fund will be able to focus on maintaining an actuarially sound "new" claims account with the lowest possible premium rates.

DEPARTMENT OF TRANSPORTATION

The Governor recommended and the 52nd Legislature approved the passage of SB164, which created a new Department of Transportation (DOT). The DOT combines the Aeronautics Division and Transportation Division of the Department of Commerce, the Motor Fuel Tax Division of the Department of Revenue, and the Department of Highways into one department. This allowed the reduction of 4.50 FTE and a net savings of \$246,068 during the 1993 biennium.

With the exception of various financial and administrative functions, the organization of programs and divisions transferred to the DOT will remain unchanged. Financial and management services will be unified through the creation of an administrative services program.

FY92-93 Construction Program. The executive budget recommended an appropriation of \$588 million for highways during the 1993 biennium. This appropriation includes six budget modifications for \$3.2 million and an additional 1.00 FTE. The legislature adopted the executive budget recommendation and added approximately \$40 million. The DOT will administer a \$419 million construction program during the 1993 biennium. In

MAJOR BUDGET ISSUES

late 1990, the Federal Highway Administration increased federal aid funding to states in order to spend down large surpluses generated by various provisions in the Gramm-Rudman-Hollings Deficit Reduction Act. As a result, Montana will receive a 50% increase in federal aid for highway construction projects during the 1993 biennium.

City Park/Rest Areas Program. The department will enact a new program to incorporate facilities for rest areas with local community park facilities located along primary highways. The department will provide funds to improve city parks, and local governments will be responsible for maintaining the parks and rest areas.

Highway Special Revenue Fund. Whether or not to maintain current level services represented by the 1993 biennial budget will be a major issue during the 1993 Legislative Assembly. The ten-year reconstruction trust fund (RTF) program designed to reduce the total mileage of critically deficient roads to a negligible number will be completed during the 1993 biennium. SB122 will continue the annual transfer of approximately \$4.8 million of coal severance taxes to highway state special revenue. Nevertheless, planned expenditures from the highway state special revenue account will exceed projected revenues by approximately \$30 million per year. By the end of FY94, the fund balance in the highway special revenue account will be nearly depleted.

DEPARTMENT OF JUSTICE

The Department of Justice budget increased by 19.2% over the 1991 biennium authorized level, and 54.65 FTE were added for expanded and new services. The most significant actions of the 52nd Legislative Assembly are summarized below.

Gambling Control Expansion. Gambling regulation and expansion issues were debated throughout the session. An approximate \$1 million balance in the Department of Commerce gambling license fee account was transferred to the department as part of a consolidation of gambling regulation begun during the 1991 biennium. About 48% of these funds were used to add 5.00 FTE, including 3.00 FTE investigators, to the Gambling Control Division. The remainder of the account - approximately \$524,573 - was transferred to the department's Legal Services Division to offset a portion of the increased general fund support for 1993 biennium operations.

SB427 emerged as the primary gambling reform bill, and contained various revisions to the public gambling laws. Changes include the imposition of a one-time processing fee for an operator's license, the limit of operator licenses to one per premises, and providing for a card room contractor's license and fee.

Improvement in Driver's License Station Services. The Motor Vehicle Division was authorized 20.20 FTE to establish "express" stations for driver's license renewals in larger cities and to reduce customer delays statewide. The added services will be funded by a \$1 per year increase in the driver's license fee, as authorized in HB568. This is expected to generate an additional \$700,000 per year for the general fund.

County Attorney Salary Increase. HB155 increased the base full-time county attorney salary to \$50,000 with annual increases, beginning July 1, 1991. This increase is calculated on the basis of 100% of the previous calendar year Consumer Price Index (CPI). The current base is \$36,500 with annual increases since July 1, 1981 equivalent to 70% of CPI. Fifty percent of county attorney salaries and benefits are paid from the state general fund, and this increase is estimated to cost an additional \$469,000 for the 1993 biennium. Statutory language was retained, however, to allow county commissioners to hold the salary of a county attorney to the level paid during the prior fiscal year.

Highway Patrol Division. The Highway Patrol Division received 4.00 FTE dispatchers to improve communications and to provide critical back-up and replacement support in Missoula and Billings. An additional 4.00 FTE patrol officers also were authorized. Funding will be provided by highway state special revenue.

Fire Marshal Bureau Expansion. 3.50 FTE were added to the Fire Marshal Bureau to improve compliance with statutory requirements for fire safety inspections and related responsibilities. The program is funded by the general fund, and the new positions are related to the amount of incremental revenue from an increase in tax on fire insurance premiums from 0.75% to 1% contained in HB809. The increase in revenue is estimated to be \$323,000 for the 1993 biennium.

Statewide Motor Vehicle Computer System. HB579 appropriates \$1,359,000 from the general

MAJOR BUDGET ISSUES

fund to the department for the continued development and operation of the statewide motor vehicle computer system. The bill provides for increased mail registration renewal and directs the department to maintain a statewide on-line computer system for the registration of motor vehicles, boats, snowmobiles and off-highway vehicles. Revenue will be provided by the imposition of a \$1 annual county motor vehicle computer fee assessed on registration.

DEPARTMENT OF ADMINISTRATION

Data Processing Services. The legislature concurred with the executive recommendation for a \$3.1 million increase in the Information Services Division budget. As utilization and, subsequently, the appropriation for data processing services increases, the per-unit cost for data processing decreases. Mainframe processing rates were reduced in the budgets of all state agencies by 19% in FY92 and 27% in FY93.

Montana Education Telecommunications Network (METNET). Passage of HB30 provides a \$300,000 annual general fund appropriation for the continuation of METNET. Receipt of the general fund appropriation is contingent upon a 50% match from other funding sources. METNET will connect Montana schools to the distance learning network.

Student Long-Distance Services. The legislature concurred with the executive recommendation to offer long-distance services to students living in dormitory housing on state campuses. The increased use of state services enables the Department of Administration to reduce its long distance rates to state agencies by 3% each year of the 1993 biennium.

Agency Records Management Program. Agency records management was transferred to the Office of the Secretary of State. The transfer reduced the Department of Administration's budget by \$581,130 and 8.25 FTE.

Public Employees Retirement Division. There were 41 bills introduced containing various revisions to the retirement systems; 29 of these bills were passed and signed by the Governor. Some of the more noteworthy bills include the following:

HB77 increased the benefits for retired highway patrol officers.

HB205 revised the calculation of contributions due

for service credits transferred between the public employee and teachers' retirement systems.

HB288 increased the retirement allowance for members of the sheriffs' retirement system with fewer than 25 years of creditable service.

HB595 eliminated the age limit at which members of the police retirement system with 20 years of creditable service may begin receiving benefits.

HB711 provided an annual lump sum payment to retired highway patrol officers.

SB102 allowed the trustees of rural fire districts to provide workers' compensation for volunteer firefighters.

SB226 equalized the tax on all pension benefits, providing an exemption of \$3,600 from taxation of benefits from federal, state, and private retirement plans, with the exemption reduced by \$2 for every \$1 of federal adjusted gross income received in excess of \$30,000. The bill provides an adjustment payment to retirees of state, local and teacher retirement systems who are Montana residents of 2.5% at a general fund cost of \$7.07 million for the 1993 biennium.

SB230 allowed vested members of the highway patrol officers' retirement system to purchase up to five years of out-of-state law enforcement employment as creditable service for the purpose of calculating retirement benefits.

SB231 revised the limitations and reductions imposed on a retiree who returns to employment which is covered by the public employees retirement system.

HJR50 directed an interim committee of the legislature to review and study the retirement systems. The study will outline funding obligations of the state for each retirement system and will determine the progress of each system toward meeting the state's long-term obligations. A comparison of benefits provided by each retirement system and recommended benefit changes to keep each system current with the needs of its members will be presented to the 53rd Legislative Assembly. The following summarizes the current schedule of contribution rates based on actions of the 1991 Legislature and a reference list of bills considered during the 1991 Legislature.

MAJOR BUDGET ISSUES

SCHEDULE OF CONTRIBUTION RATES STATE RETIREMENT SYSTEMS - FY93

RETIREMENT SYSTEM	EMPLOYEE	EMPLOYER	STATE
Public Employees	6.55%	6.55%	
Municipal Police ¹			15.66% of salaries from the insurance tax premium fund.
• Employed Prior to 6/30/75	6.0%	13.92%	
• Employed 7/75 to 6/79	7.2%	13.92%	
• Employed After 7/1/79	8.7%	13.92%	
Game Wardens	7.9%	7.15%	Fines and forfeitures
Sheriffs	7.0%	7.67%	
Judges	7.0%	6.0%	District court fees remitted to the state up to 34.71% of salaries paid to Chief Water Judges, District Court Judges, and Supreme Court Justices in the system, plus 25% of Supreme Court fees.
Highway Patrol ²	9.00%	36.28%	Employer's contribution includes 10.18% of drivers' license fees and a portion of motor vehicle fees.
Unified Firefighters ³	6.0%	13.02%	5% of fire insurance premium tax.
Volunteer Firefighters	None	None	5% of fire insurance premium tax.

¹ Revised by HB595

² Revised by HB77

³ Revised by HB760

RETIREMENT BILLS INTRODUCED IN THE 1991 SESSION

BILL#	TITLE	SYSTEM	BILL#	TITLE	SYSTEM
PASSED - 41					
HB077	Increased highway patrol pensions	HPORS	SB167	Revised contribution deadlines	PERS
HB158	Revised retirement fund investments	PERS	SB192	Terminating eligibility for medicare	HPORS
HB173	Benefits for judges removed from office	Judges	SB222	Changing eligibility requirements	MPORS
HB205	Transferring credits between TRS/PERS	PERS	SB226	Revise income tax exemptions	PERS
HB274	Purchasing service credits	MPORS	SB230	Purchasing additional service credits	HPORS
HB288	Increasing sheriffs' pensions	Sheriffs	SB231	Revising public employee work limits	PERS
HB323	Revising PERS disability allowances	PERS	SB243	Retirement for chief water judges	Judges
HB373	Withdrawal of employee contributions	PERS	SB276	Partial salary, injured firefighters	FURS
HB423	Appropriating fees/judges' retirement	Judges	FAILED - 12		
HB432	Involuntary retirement allowances	Sheriffs	HB056	Minimum monthly retirement	GAME
HB453	Judges' retirement contributions	Judges	HB180	Deferred compensation	FURS
HB585	Lost retirement checks	PERS	HB245	Health care coverage	Federal
HB595	Remove 50 yrs of age requirement	MPORS	HB257	Death benefits	FURS
HB599	Redefining benefit calculations	VFRS	HB661	Guaranteed increases	PERS
HB711	Supplemental benefit payments	HPORS	HB679	Annual and sick leave credits	FURS
HR760	Equalize disability retirement allowance	FURS	HB727	Employer contributions	PERS
HB769	Membership of terminated employees	PERS	HB900	Tax exemption	PERS
HB941	Purchasing additional service credits	Sheriffs	HB907	Membership	VFRS
SB033	Clarifying retirement codes	PERS	HB936	Sick leave credits	PERS
SB102	Workers' comp benefits	VFRS	SB124	Tax exemption	PERS
SB128	Tax exemption	PERS	SB218	Supplemental benefits	PERS

HUMAN SERVICES

DEPARTMENTS OF SOCIAL AND REHABILITATION SERVICES AND FAMILY SERVICES

Under the approved general appropriations bill, the budgets of the Department of Social and Rehabilitation Services (SRS) and the Department of Family Services (DFS) increase over the 1991 biennium authorized level by \$51.5 million in state general fund. Total funds increase by \$205.5 million over the previous biennium.

Additional state resources were required to comply with new federal requirements outlined in the Omnibus Budget Reconciliation Acts (OBRA) of 1989 and 1990 and expansion of federal welfare reform requirements during the coming biennium.

Issues in the human services budgets included proposal and enactment of a major health care initiative; major commitments in automation of economic assistance, child support and family services data; implementation of Phase IV of the Montana Developmental Center downsizing project; service expansions in developmental disabilities and vocational rehabilitation; community-based provider rate increases; a nursing home utilization fee; and transfer of inpatient and residential psychiatric programs for youth from SRS to the Department of Family Services.

Governor's Health Care Initiative. The Governor's health care initiative was, for the most part, adopted by the 1991 Legislature as proposed and is "the most comprehensive plan" in the nation, according to the American Legislative Exchange Council. The initiative includes provision of low-cost health insurance to uninsured individuals and small businesses that cannot afford health insurance for their workers. This low-cost insurance will be provided by insurance companies and is combined with a tax credit for employers who make the insurance available to their employees.

The initiative also expands tax credits for Montanans who take care of elderly or disabled people in their homes and gives tax credits to those who purchase long-term care insurance. The elderly and disabled Medicaid waiver programs, which allow people to be

served under the Medicaid program in their homes, were expanded. A trust fund was established to help young physicians pay off medical school debts in return for service in rural areas.

A nursing home utilization fee of \$1.00 per bed day in FY92 and \$2.00 per bed day in FY93 was approved in HB93. The fee is charged only on beds paid for by a third party, not on beds paid for by the resident, a friend of the resident or a member of the resident's family. The fee is placed in the state general fund.

A rebase of nursing home rates was included in the approved budget. This is intended to hold down rates charged by a nursing facility to non-Medicaid residents by preventing additional cost shifting.

A budget modification to provide substantial increases in Medicaid rates paid to obstetricians, gynecologists and pediatricians providing services to children and pregnant women in the state was included in the initiative. The increase was intended to provide better access to medical care for Medicaid clients of these providers.

The initiative contained managed care provisions for State Medical and Medicaid programs. This will help insure cost containment in both programs. Medicaid-eligible AFDC recipients will be provided services through the managed care program beginning in FY93. This effort may decrease Medicaid costs through more efficient utilization of services. The Medicaid budget for FY93 was reduced by \$9.8 million to reflect estimated savings in this program.

Service expansions included in the initiative and the final approved budget under a "Kids Count" proposal will provide targeted case management for pregnant women, continuation of the Baby Your Baby project which provides outreach for pregnant women, and a major expansion of the state's commitment to provide services to developmentally delayed preschoolers in the 0- to 3-year-old age range.

Community-Based Provider Rate Increases. The 1991 Legislature included increases of 4.5% each fiscal year of the biennium for providers of community-based services in the Medicaid waiver, vocational rehabilitation, visual services, developmental disabilities and foster care programs.

Youth Psychiatric Services. A recommendation of the executive budget to transfer management of youth

MAJOR BUDGET ISSUES

psychiatric programs from SRS to DFS was approved. The general fund match for inpatient and residential youth programs is now in the budget of the Department of Family Services. Federal matching funds are appropriated in SRS and will be used to match state funds when an eligible youth is provided service. The funds in DFS will be used to provide state match for Medicaid-eligible youth and to begin development of a continuum of care for youth foster care cases.

Automated Data Processing Systems. Three major ADP systems are included in the approved budget for the 1993 biennium. The Economic Assistance Management Systems (TEAMS) will become operational at the beginning of FY92. This system provides statewide access to county welfare offices and is expected to increase efficiency and reduce the error rate in processing applications for assistance. Estimates of savings for this system are 10.00 FTE and approximately \$2.6 million over the coming biennium.

The System for Enforcement and Recovery of Child Support (SEARCHS) project, a mandate of the federal Family Support Act of 1988, will provide assistance in tracking and finding parents who are required to provide child support. To meet federal compliance requirements, the system should be in operation by late FY93. The legislature added language to the appropriations act requiring that the system operate for a cost of less than \$1.5 million annually after implementation.

DEPARTMENT OF LABOR AND INDUSTRY

Use of Unemployment Insurance (UI) Administrative Tax Revenues. The Governor proposed - and the legislature adopted - different priorities for use of approximately \$12.9 million in UI administrative tax revenues available for consideration. The following table shows priorities for four policy choices:

1. appropriations to fund programs administered by the Department of Labor and Industry;
2. maintenance of a reserve for Job Service offices in the event of a shortfall in federal funding;
3. transfer to the UI trust fund;
4. transfer to the general fund.

HB 2 appropriates \$3 million of UI administrative tax over the executive budget recommendation. The additional \$3 million appropriation is intended to supplement federal job training grants under the Job

Training Partnership Act (JTPA). The U.S. Department of Labor has notified the department that Montana's allocation will be cut back by \$1.3 million in the 1992 grant period. The legislature further appropriated \$1.7 million in anticipation of additional cuts in the 1993 grant period.

Table 1: Priorities for Use of UI Administrative Tax

	(In \$ Millions)	
	Governor	Legislature
Appropriation	6.7	9.7 ¹
Reserve for Job Service	1.7	1.7
Transfer to UI Trust Fund	3.0	0.0 ²
Transfer to General Fund ³	1.5	1.5

¹ Includes estimate of HB 509 (pay plan).

² The Legislature authorized the department to transfer funds to the UI trust only to the extent that such amounts would trigger a lower tax rate

³ The executive budget recommended and the legislature approved a transfer of \$1.5 million to the General Fund in the 1992 special legislative session.

The executive budget recommended transferring \$3 million to the UI trust fund, as required by law. Both HB2 and the executive budget provided for approximately \$3.5 million set-aside for Job Service in the event there is a shortfall in federal funding. HB2 authorizes the department to transfer amounts to the UI trust only to the extent that such amounts would reduce the UI tax rates. Any amounts transferred to the trust fund pursuant to HB2 would reduce the amount of the Job Service reserve.

NATURAL RESOURCES AND COMMERCE

DEPARTMENT OF COMMERCE

Trade Initiatives. International trade efforts managed by the Department of Commerce were expanded, as recommended by the Governor. Both an Office of International Affairs Coordinator and a Canadian Trade Office were established by the 1991 legislature.

Helping Business Initiatives. The Governor recommended several economic development bills which were approved by the legislature. A revolving loan fund was established using Economic Development Administration (EDA)/Community Development Block Grant (CDBG) grant funds. The Business Development Division received a federal grant of approximately \$228,000 for continued assistance to Montana companies for the procurement of Department of Defense and other federal contracts.

Montana is one of the few states with a dedicated fund for economic development. New programs will generate more than \$100 million in public and private funds for investment capital for small and technology-based businesses in the state. Included in the package is \$5.1 million of the in-state investment fund for research and development project loans. The Microbusiness Development Act (HB477) authorizes the state to provide \$3.25 million in coal tax loans to commercial development groups in 13 regions across the state. A microbusiness loan program will provide financing (commercial rate loans of up to \$20,000), along with business management training for companies with 10 or fewer employees and/or small businesses with less than \$500,000 in annual revenue. There will be \$2 million to invest in venture capital projects and \$5 million for investment in research and development projects, including matching funds for a new engineering research center at Montana State University and Montana Tech.

Infrastructure Initiative. The Governor recommended a new Big Sky Dividend program which would invest \$20 million per year out of future coal tax revenues to improve Montana's public infrastructure. The legislature tabled the Big Sky Dividend bill and passed HB795 which would have created an infrastructure trust fund within the permanent coal tax

trust fund from the sale of \$250 million of coal severance tax bonds. Although the intent and purpose of HB795 was similar to the Governor's proposed Big Sky Dividend program, the two programs differed significantly: the Big Sky Dividend program would have awarded grants to local governments; HB795 would have authorized loans. The Governor vetoed HB795 because of small communities' inability to repay loans and numerous technical problems. A public initiative for an infrastructure improvement program will be presented to Montana voters for approval and implementation by the 1993 legislature.

Professional and Occupational Licensing. Three new professional and occupational licensing boards were created during the 52nd Legislative Assembly. These new boards will implement laws concerning the practice of real estate appraisal, respiratory care, and alternative health care, i.e., midwifery and naturopathic care.

DEPARTMENT OF HEALTH AND ENVIRONMENTAL SCIENCES

Fee-Funded Environmental Initiatives. The Governor recommended and the 1991 Legislature enacted three new revenue sources to fund major initiatives in environmental programs administered by the Department of Health and Environmental Sciences and authorized the department to spend \$3.2 million of the new state funds in the 1993 biennium. These fees will enable the state to fund expansions in programs which assure environmental quality and public health in the areas of air quality, solid waste disposal, and public drinking water systems. The expansions will bring these programs into compliance with recently enacted federal requirements, preserving Montana's primacy in environmental protection in these areas.

Air Permitting: HB781 authorizes the department to establish fees for the issuance of construction and operating permits for sources of air emissions regulated under Title V of the federal Clean Air Act. The department has been authorized to collect and spend up to approximately \$0.8 million in permit fees over the biennium. HB781 and the spending authority authorized in the general appropriations act will bring Montana into compliance with recently enacted amendments to the federal Clean Air Act which requires states to implement operating permit systems and increase state financial participation from 25% to 40% of federal grants by November 1993.

MAJOR BUDGET ISSUES

Solid Waste Facility Licensing: SB209 authorizes the department to establish fees for licensing solid waste management systems. The department has been authorized to collect and spend approximately \$1.1 million in facility licensing fees over the biennium. The licensing fees established in SB209 were recommended by the Environmental Quality Council in its report to the 52nd Legislature under Senate Joint Resolution 19. In addition to the licensing fees, SB346 authorizes the levy of a \$5 per-ton fee on imported wastes, effective in the 1995 biennium. The department projects that, in the event that "mega-landfills" are licensed as authorized under HB377, approximately 1.6 million tons of waste could be imported annually, generating \$8 million in state special revenue in the 1995 biennium.

Public Drinking Water System Fees: SB407 authorizes the department to establish fees assessed to public water supply systems based on service connections and engineering reviews. The department has been authorized to collect and spend \$1.3 million in public drinking water fees over the biennium. The fees established in SB407 were recommended by the Montana Public Water Supply Task Force in order to address expanded federal requirements contained in the 1986 amendments to the federal Safe Drinking Water Act.

CLARK FORK RIVER BASIN NATURAL RESOURCE DAMAGE LAWSUIT

The federal Comprehensive Environmental Response Compensation and Liability Act (CERCLA) provides for the liability of responsible parties for remedy as well as damages related to environmental contamination. The Department of Health and Environmental Sciences (DHES) has been and will continue to be the lead state agency in an oversight and coordination role for remediation of environmental contamination in the Clark Fork River Basin under the superfund program. In addition, at the request of the Governor, the 1991 Legislature has designated DHES as the lead agency responsible for litigation to recover damages. Under a schedule ordered by the U.S. District Court, the damage case will precede the remedy selection process, creating up-front costs for the state related to technical assessments of the damages.

The State of Montana filed a natural resource damage claim in U.S. District Court December 22, 1983, against the Atlantic Richfield Company (ARCO) to recover damages for injuries to natural resources in the Clark Fork River Basin. The suit was stayed

pending completion of remedial investigation and feasibility studies being conducted as part of the superfund process. ARCO petitioned the court in December of 1989 to lift the stay and proceed with the claim. On August 17, 1990, the court issued a schedule ordering the parties in the lawsuit to complete discovery on all aspects of the case. The final pretrial order must be filed with the court by April 30, 1994. This schedule gives the state less than two years to complete a required and detailed natural resource damage assessment on the largest superfund complex in the nation.

Compensation in the Clark Fork case would include both response costs, estimated at \$4.9 million over the 1993 biennium, as well as actual damages, estimated at a minimum of millions of dollars. Any damage awards received would be held in trust to restore, replace, or acquire like resources for the Clark Fork River Basin.

The 1991 Legislature appropriated \$4.9 million in state special revenue authority for the biennium to DHES for technical damage assessments and litigation costs. The department has been authorized to receive an inter-entity loan from the general fund. Repayment on the loan is extended through the end of the 1993 biennium and must include interest on the amount loaned at a rate commensurate with rates earned in the short-term investment pool.

The legislature also appropriated \$98,540 of state and federal special revenue for the Department of Fish, Wildlife and Parks to conduct the Fisheries Division studies in the damage assessment. General appropriations act boilerplate language requires the state to seek repayment of any appropriated funds expended by a state agency for this purpose. In addition, HB8 appropriates the following for the Butte-Silver Bow superfund site: \$296,113 for the Water, Air, Soils Testing and Evaluation Center (WASTEC) and \$60,000 to Butte-Silver Bow for an upper Clark Fork River Basin coordinator.

STATE TRUST LAND ACCESS FOR RECREATIONAL PURPOSES

The 52nd Legislature addressed the controversial issue of recreational access to state trust lands. In HB778, the legislature: 1) provided a framework to attempt to resolve the recreational access issue; 2) established a recreational fee to compensate the trusts for recreational use of trust lands; and 3) provided a funding mechanism to compensate trust lessees for

MAJOR BUDGET ISSUES

damages caused to lessee capital improvements to trust lands. The legislature also in HB2 appropriated \$50,000 general fund to initially finance the Department of State Lands (DSL) costs of administering recreational access and \$200,000 general fund for an economic study of the surface uses of trust lands.

Most of Montana's 5.2 million surface acres of trust lands have historically been leased for farming and grazing. Because lessees were held responsible for weed control and fire prevention, the lessees were permitted to manage the public access to leased lands. The only condition required by the state was that if a lessee restricted hunting access to one member of the public then all public access was restricted.

The fact that lessees could restrict public access to trust lands has been a controversial point with some hunters and recreationists. Some believe that trust lands should be open for recreational activities.

To address both the lessees' and sportspersons' concerns, the legislature enacted a compromise bill which addresses the issues of both interested parties. The basic premise of HB778 is that all trust lands accessible by a public road are open and available for hunting and fishing unless they are designated as closed to recreation. Access to land-locked trust lands is dependent upon permission of the adjacent land owner.

The bill gives rulemaking authority to the Board of Land Commissioners to establish conditions for closure of trust lands. Closure may occur if recreational use is incompatible with the use for which the land was leased. The bill authorizes the Board to adopt rules closing three categories of trust lands: 1) cabin and home sites; 2) farm lands when crops are growing; and 3) active military, commercial or mineral leases. All other closures would be on a case-by-case basis depending upon specific situations.

HB778 creates a \$5 permit required for all persons recreating on trust lands. The \$5 will be distributed as follows: 1) \$3 to the trust for the recreational use of trust lands; 2) \$.50 to the hunting and fishing licensing agent who sells the permit; and 3) \$1.50 to the DSL for reimbursement to lessees for weed control and damage to improvements related to recreational use, and for administering recreational access to trust lands. Included in the department's

FY93 budget is \$25,000 for repairs of lessee improvements and noxious weed control.

NORTHERN CHEYENNE, STATE OF MONTANA, U.S. GOVERNMENT WATER COMPACT

The 1991 Legislature approved SB472, which is a water rights compact between the State of Montana, the Northern Cheyenne Indian Tribe, and the U.S. Government. Current fiscal implication of the bill is a state commitment of \$16.5 million for the repair of the Tongue River Dam and spillway. The \$16.5 million is to include \$5 million cash spread over three biennia and an \$11.5 million loan from the federal government. The \$5 million is \$1.5 million in the 1993 biennium, \$2.1 million in the 1995 biennium, and \$1.4 million in the 1997 biennium. The \$11.5 million loan is anticipated to be a 40-year, no-interest loan in which water users on the Tongue River Dam system would pay \$125,000 for 40 years and the state \$162,000 for 40 years.

The \$1.5 million for the 1993 biennium is composed of: 1) \$400,000 water development state special revenue appropriated in HB2 for engineering work on the dam; 2) \$300,000 to \$400,000 water development funds in HB2 for maintenance on state-owned water projects; and 3) language authority which appropriates all of the net revenues earned by the Broadwater Dam to the repair of the Tongue River Dam.

If the Department of Natural Resources and Conservation (DNRC) needs more state revenue for the Tongue River Dam repair, authorization to expend water storage funds could be granted. SB313 created a water storage account which will have approximately \$400,000 available in the 1993 biennium. The bill also requires the federal government to provide \$31.5 million to repair the dam and spillway and to raise the dam spillway crest to secure the Northern Cheyenne's existing contract water and to provide additional storage capacity to secure the tribe's storage and exchange water rights.

HIGH-HAZARD DAMS

The Governor placed a high priority on starting to repair high-hazard dams. Included in the 1993 biennium budget is \$1,391,000 of state funds and \$7,096,925 of federal funds for a portion of the

MAJOR BUDGET ISSUES

infrastructure work which needs to be done on four of the 23 state-owned, high-hazard dams.

1. Middle Creek Dam - \$3,896,925 of federal funds to enable the rehabilitation study of the dam.
2. North Fork Smith River Dam - \$100,000 water development funds for a feasibility study and preparatory work for a federal loan, and \$1,600,000 federal authority for rehabilitation work on the dam.
3. Tongue River Dam - The state currently is committed to \$16.5 million for repair of the Tongue River Dam and spillway.
4. Nevada Creek Dam - \$200,000 of water development funds for a feasibility study to correct numerous dam problems, include inadequate spillway capacity and high seepage flows.

The Governor also recommended consolidating management of state-owned dams under the reorganized Department of Natural Resources and Environment. However, this reorganization was not authorized by the legislature and some dams will continue to be managed by the DNRC and some by the Department of Fish, Wildlife and Parks.

WATER STORAGE

The 52nd Legislature enacted the Water Storage Policy Act (SB313), which was one of the recommendations in the State Water Plan prepared by the Governor-appointed State Water Plan Advisory Council. The bill does the following:

1. clarifies state water storage policy and the role of storage in solving water problems;
2. establishes guidelines for setting priorities among new storage and rehabilitation storage projects;
3. requires a study of the feasibility of assessing recreational user fees to repay water storage project costs;
4. requires a study of the feasibility of collecting larger fees from consumptive water users who benefit from the development of new state-owned water storage projects or from the rehabilitation of existing state-owned water storage projects
5. creates a water storage state special revenue account and allocates 25% of the funds available for water development and resource development grants to the account.

Each legislative session, the Governor will submit a report identifying water storage projects proposed for development, including rehabilitation of existing projects and new project proposals. The bill details the ten criteria which the Governor is to use in prioritizing recommended projects.

The Department of Fish, Wildlife and Parks (DFWP) is directed to report to the legislative water policy committee by July 1, 1992, on a study to assess the feasibility of charging recreational beneficiaries of water storage projects fees to assist in repayment of a portion of project costs. The bill identifies five potential revenue options which DFWP is to study.

The DNRC is to conduct a study to assess the feasibility of increasing the fees charged to diversionary water users to assist in the repayment of a greater portion of new state-owned water storage projects. The DNRC is to report its finding to the water policy committee by July 1, 1992.

A water storage state special revenue account is created to provide money for loans and grants exclusively for water storage projects, including the purchase or lease of property; planning, feasibility and design studies; and other costs related to construction, rehabilitation, expansion and modification of water storage projects. The account will receive revenue from the water development and renewable resources state special accounts. SB313 requires that 25% of the water development and renewable resources state special accounts, which are available for grants, shall be deposited into the water storage account. For the 1993 biennium, it is estimated that \$458,809 will be transferred to the water storage account.

HUNTING AND FISHING LICENSE FEES

At the request of the Department of Fish, Wildlife and Parks (DFWP), the 52nd Legislature increased costs for the majority of resident and nonresident hunting and fishing licenses. The new license fees will increase department revenues by approximately \$2.6 million per year. Without the increase, the DFWP was projecting a \$4.5 million shortfall by 1994.

SB171, the bill which increased hunting and fishing license fees and license agent commissions, is a compromise plan which gradually increases the fees. Increases are phased in as detailed in the following table.

MAJOR BUDGET ISSUES

<u>License Name</u>	<u>Current Fees</u>	<u>Fees 3/1/92</u>	<u>Fees 3/1/94</u>
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Resident

Antelope	\$ 6.00	9.00	\$ 11.00
Black Bear	8.00	11.00	15.00
Conservation	2.00	4.00	4.00
Deer A	9.00	11.00	13.00
Deer B	6.00	7.00	8.00
Elk	10.00	13.00	16.00
Fishing	9.50	11.00	13.00
Goat	50.00	60.00	75.00
Moose	50.00	60.00	75.00
Mt Lion	10.00	13.00	15.00
Paddlefish	3.00	4.00	5.00
Sheep	50.00	60.00	75.00
Sportsman	45.50	54.00	64.00
Turkey	3.00	4.00	5.00

Nonresident

Antelope	120.00	145.00	150.00
Bird	53.00	55.00	55.00
Conservation	2.00	5.00	5.00
Deer Combo	200.00	238.00	245.00
" " Outfitter	200.00	248.00	250.00
" " Landowner	200.00	248.00	250.00
Elk	450.00	462.00	475.00
" Combo Outfitter	450.00	472.00	485.00
Fish 2-Day	8.00	10.00	10.00
Fish Season	36.00	40.00	45.00
Goat	320.00	450.00	475.00
Moose	320.00	450.00	475.00
Paddlefish	10.00	15.00	15.00
Sheep	320.00	450.00	475.00

Resident and Nonresident

Drawing Fees	2.00	3.00	3.00
Elk Permit	0.00	2.00	3.00
Archery	7.00	8.00	8.00

SB171 also increases the commission which is paid to license agents from \$0.30 per license sold to \$0.40 per license in license year 1992 and \$0.50 per license in license year 1993.

DEVELOPMENT AND MAINTENANCE OF WILDLIFE GAME RANGES

In SB252, the legislature revised distribution of the wildlife habitat state special revenue account. Previously, account revenue was allocated 80% to secure and develop wildlife habitats and 20% to a

trust account. Interest from the account was used to maintain state game ranges. SB252 reduces the amount going into the trust account to 10% and reallocates the remaining 10% for maintenance of state game ranges. This change will provide an additional \$538,800 for maintenance of state game ranges in the 1993 biennium.

SB252 also requires that the DFWP use \$150,000 for an independent study of wildlife habitat acquisition, improvement and development. The study is to be funded from the 80% of wildlife habitat revenue allocated for site acquisition and development. The study must include a comprehensive and detailed accounting of expenditures authorized for maintenance of wildlife habitats; be completed by December 1, 1992; and be presented to the 1993 Legislature.

RESOURCE INDEMNITY TRUST FUND

The Resource Indemnity Trust Fund (RIT) was established in 1973. Earnings from the RIT are to be used to "improve the total environment and rectify damage thereto" pursuant to 15-38-203, MCA. Funding to implement this policy is derived from a tax on mineral production and interest earnings on the established trust fund.

When the trust fund reached \$10 million in 1978, all earnings on the trust began to be appropriated in accord with 15-38-202, MCA. Once the trust reaches \$100 million, both the interest and tax proceeds can be appropriated.

Trust fund earnings are earmarked for a number of different programs. Statutorily, \$175,000 per biennium is allocated to the Governor's environmental contingency fund which must be used to meet unanticipated public needs when the public welfare and/or natural environment is threatened, in accord with 75-1-1101, MCA. Second, up to \$50,000 per biennium is appropriated to the oil and gas production damage mitigation account pursuant to 82-11-161, MCA.

Since FY90, the remaining trust fund earnings have been allocated to five programs as follows: Water Development 30%; Renewable Resources 8%; Reclamation and Development 46%; Hazardous Waste/CERCLA 12%; and Environmental Quality Protection (Non-Super Fund) 4%.

The last four legislative assemblies also have appropriated some of the RIT monies to fund

MAJOR BUDGET ISSUES

programs in DNRC, DSL and other departments that are consistent with the purpose of the funds. The 1993 biennium budget continues the funding of comparable programs for which RIT monies were appropriated during the 1991 biennium.

Table 2 below presents the 1993 biennium RIT revenues generated by the trust, how the interest is allocated, the appropriations of the revenues, and estimated ending fund balances for each of the five accounts into which trust interest earnings are deposited. Separate tables on the following pages list prioritized projects for the water development, renewable resource, and reclamation and development grants.

Water Development. The water development loan and grant program was established in the 1981 legislature. The purpose of the program is to

promote and advance the beneficial use of water and to allow the citizens of Montana to achieve full use of state water by providing grant and loan financing for water development projects.

Public entities, private individuals, partnerships and corporations may apply for financing. Grants and loans to public entities must be approved by the legislature, while loans to private entities are approved by the DNRC director.

Funding sources for the water development grant program are 0.475% of the gross proceeds of the coal severance tax and 30% of RIT interest. Water development revenues are used to finance agency water development programs consistent with substantive law and related administrative costs and approved projects based upon priority ranking established by the legislature; 25% of the revenues

Table 2
Five Accounts Receiving Resource Indemnity Trust Interest
1993 Biennium Revenues and Appropriations

Percent of RIT Interest	Water	Renewable	Reclamation &	Hazardous	Environmental
	Development 30%	Resources 8%	Development 46%	Waste/ CERCLA 12%	Quality Protection 4%
Beginning Balance	\$1,046,250	\$0	\$604,812	\$1,074,860	\$1,194,036
Revenues					
RIT Interest	\$4,967,303	\$1,324,614	\$7,616,531	\$1,986,921	\$662,307
Coal Tax	359,597	359,597			
Loan Repayments	1,113,993	131,344			
NR Damage Repayments					250,000
Cancelled Prior Year Grants	109,211		23,839		
Interest (STIP)				172,730	191,882
Administrative Fees	50,000				
State-Owned Proj. Rev.	410,000	0	0	0	0
Total Funds Available	\$8,056,354	\$1,815,555	\$8,245,182	\$3,234,511	\$2,298,224
Appropriation					
Bond Debt Service	\$1,229,964	\$380,231	\$0	\$0	\$0
DNRC Cent Serv Div	277,047	28,894	244,113	0	0
DNRC Water Res Div	2,828,011		1,658,711	0	0
DNRC CARD	566,297	409,655	952,346		
DNRC State Water Proj.	891,000				
DSL Reclamation Div	0	0	1,652,146	0	0
DH&ES Envir. Div	0	0	0	1,984,429	639,599
Reserved Water Rights Compact Comm.	0	0	603,591	0	0
Water Courts	977,425	0	0	0	0
Pay Plan	206,508	43,370	308,753	83,352	24,591
State Library		198,273	175,472		
Environmental Quality Council	0	0	26,451	0	0
Total Appropriations	\$6,976,252	\$1,060,423	\$5,621,583	\$2,067,781	\$664,190
Projected Available for Grants	\$810,077	\$566,349	\$2,623,599		
Projected Available for Water Storage	270,026	188,783	0	0	0
Projected Biennium Ending Balance	\$0	\$0	\$0	\$1,166,730	\$1,634,034
Environmental Contingency Account (ERA)					\$2,000,000

MAJOR BUDGET ISSUES

available for grants are allocated for state water storage projects.

The loan program has a \$10 million general obligation bonding authority and a \$250 million coal severance tax bonding authority. To date, \$4.7 million in general obligation bonds have been sold to provide funds primarily for private irrigation projects; \$35.4 million of coal severance tax bonds have been sold to provide loans to public entities for irrigation and municipal water and sewer projects;

finance department programs consistent with substantive law and related administrative costs; approved projects based upon priority ranking established by the legislature; and, as adopted by the 1991 Legislature, 25% of the revenues available for grants are allocated for state water storage projects.

The loan program has \$5 million bonding authority. To date \$1.1 million in bonds have been sold to provide loan funds to approved projects. Following is a list of the approved renewable resource develop-

Table 3
Water Development Program
Project Recommendations
Fiscal Years 1992-93

		FY92	FY93
1	Chinook Irrigation District	Milk River Water Supply Project	\$100,000
2	Lower Musselshell Cons. District	River Mgmt Tools/Musselshell Riv	72,539
3	Glasgow Irrigation District	Improving Water Use	100,000
4	Greenfields Irrigation District	Greenfields Gravity Irrigation	100,000
5	Montana State Library	Drought Monitoring System	58,364
6	Flathead Joint Board of Control	Flathead Irrigation Inform Sys	92,000
7	Lewis & Clark County Cons. Dist.	Nilan Water Conservation Project	100,000
8	Ruby Water Company	Ruby Water Dam-Feasibility Study	14,708
9	Stockett Water Users Association	Wastewater Treatment/Collection	50,000
10	Fort Shaw Irrigation District	Rehab Headworks & "A" System	50,000
11	Dutton, Town of	Dutton Water Reservoir	91,319
12	Phillips Conservation District	Moisture Monitoring Project	53,382
13	Sun River Water System	Hydrologic Control	7,500
			889,812

and \$26.0 million have been sold for the hydropower retrofit at the state-owned Broadwater project at Toston.

Table 3 lists the approved water development projects. Projects are listed in priority order. Total funds estimated to be available for projects is \$810,077, plus the \$270,026 recommended for water storage projects, for a project total of \$1,080,103.

Renewable Resource Development. The Renewable Resource Development Loan and Grant Program was established by the legislature in 1975 to provide financial assistance for the conservation, protection and development of renewable resources in Montana. The program is available to public entities only. All projects require legislative approval.

Grant funds are generated by 0.475% of the gross proceeds of the coal severance tax and 8% of RIT interest. Renewable resource revenues are used to

ment projects. Projects are listed in priority order. Total funds estimated to be available for projects is \$566,349 plus \$188,783 for additional water storage projects, for a project total of \$755,132 for the 1993 biennium.

Renewable Resource Development Program
Project Recommendations
Fiscal Years 1992-93

	Applicant/ Project Name	Recommended Funding
1	Yellowstone County Cons. Distr Streambank Reinforcement/Erosion Control	\$100,000
2	Jefferson Valley Conservation Distr Cereal-Legume Cropping Rotations	48,677
3	Neihart, Town of Neihart Water System	50,000
4	Ekalaka, Town of Water Supply & Storage Project	49,975

MAJOR BUDGET ISSUES

Applicant/ Project Name	Recommended Funding	Applicant/ Project Name	Recommended Funding
5 MSU/ Montana Watercourse Montana Watercourse	100,000	4 DH&ES/Central MT Health District ARCO Refinery Sludge Cleanup	300,000
6 Stillwater Conservation Distr Evaluation Of Plastic Lining	56,848	5 MT Board of Oil and Gas Abandoned Well Plugging Project "A"	300,000
7 Broadwater Conservation Distr Irrigation Water Mgmt; Construction Proj	100,000	6 MT Board of Oil and Gas Abandoned Well Plugging Project "B"	295,000
8 DNRC Water Management Bureau Beaverhead County Ground Water Study	100,000	7 MT Salinity Control Assoc Soil/Water Nonpoint SRC Poll Control	137,500
9 Polson, Town of Wellhead Protection Program	76,055	8 MSU/Reclamation Research Unit Effect of Sodium, Chlorine & Total Salts	82,885
10 Three Forks, Town of Three Forks Water System Improvements	100,000	9 Carbon County, et al Integrated Waste Management in SE MT	45,437
11 Fort Shaw Irrigation Distr Rehab And Betterment Study	50,000	10 DNRC/Water Quality Bureau Nonpoint Pollution Control Project	146,620
12 Butte-Silver Bow Government Blacktail Creek Restoration Project	100,000	11 MT Mines & Geology, Bureau of Down Hole Geo Logging Tech/Well	39,749
13 Liberty County Conservation Distr Sweetgrass Hills Ground Water Study	100,000	12 MT Board of Oil and Gas Abandoned Well Plugging Project "C"	144,000
14 Missoula County Conservation Distr Irrigation Diversion Alternatives	85,250	13 Toole County N. Toole County Reclamation Project	105,000
15 Fallon County Baker Lake Erosion Control & Rec Path	15,361	14 Pesticide County Clean-up Comm Pesticide Contamination Cleanup	300,000
16 Darby School District No. 9 School Park	25,300	15 Butte-Silver Bow Upper Clark Fork R Basin Coordinator	60,000
17 Meagher County Conservation Distr South Side Canal Lining Project	37,500	16 DNRC/Water Planning Bureau Arsenic In Upper Missouri River Basin	179,330
18 DNRC and Conservation Battle Creek Storage Unit	82,000	17 DSL - Reclamation Division Well Assessment And Abandonment	300,000
Reclamation and Development Grants. The reclamation and development grants account is funded from 46% of the interest income from the RIT trust, pursuant to 15-38-202, MCA. The statute sets out the criteria and procedures for grants. Following is a prioritized list of grants approved by the 1991 Legislature.			
Reclamation and Development Grants Project Recommendations Fiscal Years 1992-93			
Applicant/ Project Name	Recommended Funding	Applicant/ Project Name	Recommended Funding
1 Butte-Silver Bow Government WASTEC	\$296,113	2 Chinook Division Irrigation Assoc Rehab & Betterment Element/Milk River	300,000
3 Judith Basin Conservation Dist Community-led Rural Devel in Montana	170,000	4 Montana Salinity Control Association Supplemental Funding	62,500

COAL SEVERANCE TAX DISTRIBUTION

Table 4 following reflects the distribution of Coal Severance Tax (CST) funds during the 1993 biennium.

As shown, the legislature made two temporary adjustments in the coal severance tax distribution. In FY91, 1.9% of CST proceeds were deposited into the nonexpendable trust for parks and art. HB1008 reallocated the parks and art trust into two separate trusts and gave the parks trust two-thirds of the 1.9%

MAJOR BUDGET ISSUES

(1.266%) and the arts trust one-third of the 1.9% (0.634%). HB13 of the Special Session allocated 42.5% of the arts trust for arts council operating costs for the 1993 biennium.

HB1008 also redirected the parks 1.266% from the trust account to an appropriated fund for the 1993 biennium. The Department of Fish, Wildlife and Parks requested that the CST proceeds be redirected for critical park capital needs. The legislature concurred with the department's request and redirected \$961,000 from the trust to capital construction.

The legislature also passed SB122 which continues to allocate 12% of CST proceeds to the highway reconstruction account until June 30, 2003. Previously, the allocation to the account was to sunset on June 30, 1993.

develop a service delivery system to meet the individual needs of the developmentally disabled is continuing. The four planned phases of the system are:

1. The Montana Development Center (MDC) instituted a staff enhancement plan and met Medicaid certification requirements during a March 1990 inspection. Following court petitions, six MDC residents were placed in less restrictive, community-based treatment environments.
2. Eighteen MDC residents were placed in community-based intensive group homes because their care, treatment and support needs did not fit the revised MDC mission. Phase two was completed in October 1990.
3. The Specialized Service and Support Organization (SSSO), authorized and funded by the 1989 Legislature, was completed in May 1991 and provided placement of 30 MDC or Eastmont Human Services Center (EHSC) residents and 22 persons from intensive community waiting lists.
4. The objectives of Phase IV, approved by the 52nd Legislative Assembly, are to further ensure that only those individuals who are appropriate for DD community and residential missions are served in those settings. This will result in a further reduction of residents at MDC and the expansion of community DD services to meet the needs of adults and children with severe developmental disabilities, who will no longer be placed at MDC or in out-of-state placement. Rather, these difficult-to-place clients will receive individualized, in-home care from their natural parents, adoptive parents, or foster care parents through a family support program and specialized services jointly funded through the Departments of Family Services (DFS) and Social and Rehabilitation services (SRS) home and community-based waivers.

The MDC reduction in staff and operations reflects placement of clients in community settings and the

TABLE 4
COAL SEVERANCE TAX DISTRIBUTION

Account	FY91	FY92	FY93	FY94
Permanent Trust Fund	50.000%	50.000%	50.000%	50.000%
Highway Reconstruction Account	12.000%	12.000%	12.000%	12.000%
Local Impact "Coal Board" Account	6.650%	6.650%	6.650%	6.650%
Equalization Aid to Public Schools	11.400%	11.400%	11.400%	11.400%
County Land Planning Program	0.380%	0.380%	0.380%	0.380%
Renewable Resource Devel Bond Fund	0.475%	0.475%	0.475%	0.475%
Nonexpendable Trust for Parks & Arts	1.900%	0.000%	0.000%	0.000%
Nonexpendable Trust for Arts		0.634%	0.634%	0.634%
Nonexpendable Trust for Parks				1.266%
Parks Critical Capital Needs		1.266%	1.266%	
State Library Commission	0.380%	0.380%	0.380%	0.380%
Conservation Districts Operations	0.190%	0.190%	0.190%	0.190%
Water Development Debt Service Fund	0.475%	0.475%	0.475%	0.475%
Growth Through Agriculture	0.760%	0.760%	0.760%	0.760%
State General Fund	15.390%	15.390%	15.390%	15.390%
Total Distribution	100.000%	100.000%	100.000%	100.000%

CORRECTIONS AND HUMAN SERVICES

Montana Developmental Disabilities Service System (MDDSS). The Governor's plan has been partially implemented, and the commitment to

MAJOR BUDGET ISSUES

related downsizing of the center. Staff reductions include 56.80 FTE in FY92 and 97.85 in FY93 and operating decreases of approximately \$2.8 million in the 1993 biennium. The Governor's action plan identifies general fund cost savings of \$3.1 million due to reduced population at MDC; this amount is offset by equal increases in community-based fiscal obligations in DFS and SRS.

There is no reduction in commitment to meeting the needs of the developmentally disabled. SB250 amends the laws relating to commitment of persons who are developmentally disabled, provides an administrative screening process prior to commitment, clarifies terminology, and provides for a new definition of seriously developmentally disabled which will terminate September 30, 1995. MDC will specialize in serving clients with multiple handicaps or behavior problems that make it difficult for them to live in normal community settings.

The MDC campus and facilities are deteriorating and are spread out over 190 acres on both the north and south sides of the Boulder River. The 1991 Legislature approved an \$8.6 million campus redesign building project involving consolidation of the campus on the north side of the Boulder River. This consolidation will be financed by the Community Provider Pool Loan Program through the Montana Health Facilities Authority which helps health service providers pool projects for bond sales in order to receive better interest rates. The bonds will be repaid through cost savings and adjustments to the Medicaid reimbursement rate for patients served and service delivery costs.

Early in February 1991, MDC was found out of compliance in providing active treatment for patients; this finding jeopardized \$7 million in federal Medicaid funds. Active treatment includes recreation used as treatment, vocational training and other physical activities. MDC was back into compliance with federal Medicaid standards on April 1, 1991, following a Department of Health and Environmental Sciences (DHES) inspection conducted on behalf of the federal Medicaid program. Although the center met standards, DHES will perform a monthly review for the next nine months in the areas of staffing levels and active treatment.

Subsequent to Medicaid surveys in FY91, the program was cited for inadequate staffing levels.

Adjustments were made to enable the institution to continue to meet Medicaid certification requirements. In October, 1991, MDC was found in total compliance with medicaid certification requirements.

The Special Session of the legislature approved increased staffing levels at Montana Development Center and Eastmont Human Services Center. The institutions were authorized an additional 22.90 FTE in FY92 and 27.50 FTE in FY93. General Fund appropriations were increased \$404,511 in FY92 and \$406,996 in FY93.

Galen Closure Proposal. The Governor recommended closing the Galen portion of the Montana State Hospital, which would have resulted in a \$3.5 million state general fund savings per year. The Department of Institutions cited the under-utilization of that facility and other state facilities; increasing operating costs; decaying, inefficient infrastructure; longstanding problems with recruiting and retraining staff; and the availability of more appropriate care for many clients at other state and private facilities.

The Galen campus includes a hospital, a nursing home, and a drug and alcohol treatment center. Closure would have moved 168 patients to other state and private facilities. The department recommended that chemical dependency clients be treated in outpatient programs across the state and that nursing patients be transferred to geriatric units at Warm Springs, Center for the Aged, and private nursing facilities.

The 52nd Legislature was not convinced of the feasibility of closing Galen, and the Governor supported a two-year study of the Montana State Hospital as an alternative. HB966 creates a 14-member committee to spend the next two years studying the past, present and future role of the Galen campus. The panel, funded with \$37,000 general fund, will review caseloads, staffing and financial needs. In addition, HB5 appropriates \$112,375 of long-range building funds for an infrastructure study of the Montana State Hospital. The findings of these two studies and the Governor's recommendations will be presented to the 53rd Legislature.

Capitol Tour Guides. The Montana Historical Society (MHS) general fund budget was increased \$20,356 in FY92 and \$20,471 in FY93 to continue

MAJOR BUDGET ISSUES

the Capitol tours. SB411, which failed to pass the 52nd Legislature, was introduced to clarify the use of the accommodations tax state special revenue for the hiring of Capitol tour guides. The guides have been funded the last two biennia with the tax, but use of the funds for this purpose was the subject of an audit exception because statute designates the tax for "historic sites."

MHS continues to receive the statutory appropriation of 1% accommodations tax proceeds for the installation or maintenance of roadside historical signs and historical sites.

State Aid to Libraries. The 51st Legislature appropriated \$566,000 general fund for reimbursement of interlibrary loans and base grants for the five library federations with the intent of broadening community library services. The 52nd Legislature added \$258,621 general fund for expanded services. An additional \$25,162 was appropriated to the Montana State Library for library aid functions; \$233,459 was appropriated for direct aid to local public libraries on a per-square-mile and per-capita basis.

The 1992 special session reduced state aid to libraries by 24.7% (\$63,957) over the biennium. State Library general fund operations were reduced \$60,643 in FY92 and \$31,281 in FY93.

Natural Resource Information Services. As more agencies and businesses utilize the Natural Resource Information Services (NRIS) of the Montana State Library, more contracts are generated to facilitate response to requests for system searches, which often must be completed within 60 days. NRIS legislative contract authority (LCA) for \$325,000 each year is included in the budget. Language in the general appropriations act allows transfer of this authority between state special and federal special revenue and between fiscal years.

to make adjustments following the major reform implemented in the 1991 school year. These increases contrast with the past decade when increases in state support of school spending, coupled with falling enrollments, allowed school districts to expand expenditures faster than inflation. While foundation schedules over the past decade have increased 111% versus the 73% increase in the Consumer Price Index, district general fund budgets per ANB have increased even faster, rising 127%.

Foundation schedules are maintained at the FY91 level. Districts will be allowed to increase their budgets the greater of 4% or the amount which would bring them to 135% of the foundation amount. Districts which budget to spend in excess of 135% of their foundation amount will need voter approval, unless such spending is financed from PL81-874 federal impact aid money.

Because FY91 was the first year of operation under the school finance changes enacted in special session in the summer of 1989, the effects of the changes on actual expenditures, equalization, and voter support are not yet fully known. Information regarding actual expenditures in FY91 will not be available until mid-FY92; calculations of guaranteed tax base aid reversions will not be determined until the end of FY91. The conversion to GAAP accounting contributes further to the difficulty in obtaining good comparative information concerning school financial operation. One-time adjustments to expenditures and revenues were made in FY90 and FY91 to bring them into compliance with GAAP.

The changes in school funding have made districts' access to local voted financial support more equitable. Voted levies--especially in high tax districts--have been reduced, disparities in property wealth per student have been reduced, and property values in general are anticipated to increase.

In FY91, only 29% of elementary school districts and 50% of high school districts required a voted levy to finance their school programs. This compares with 68% and 84%, respectively, in FY90. The elimination or reduction in voted levies has been especially significant for districts which previously had high levies. Of 99 districts whose voted levy was greater than 40 mills in fiscal FY90, 93 districts reduced voted levies in FY91, with 58 districts reducing their voted levies by more than 40 mills.

K-12 EDUCATION

PUBLIC SCHOOL SUPPORT

Public schools are held to 4% annual increases in their general fund budgets, in accord with the executive budget recommendation that it was too soon

MAJOR BUDGET ISSUES

Because foundation schedules are not increased in FY92 or FY93, more schools may seek voter support for their budgets if they cannot hold them to the FY91 levels.

The extreme differences in property tax value per student among districts has been reduced by enactment of the flat taxes on oil, gas and coal. The flat tax replaced oil and gas property taxes with a severance tax. The property tax on coal gross proceeds was fixed at 5% under the flat taxes, tax payments rise with increased production or prices but do not increase with millage rates. Thus those districts do not have their previous advantage of access to large tax bases.

Property tax values are anticipated to increase an average of approximately 2% per year while school enrollments are anticipated to grow approximately 0.2% per year. This differential should provide for an increase in budgets without an overall increase in mill rates, though reductions in permissive mills may be replaced with increases in voted mills. School districts are free from the restrictions of I-105 which would otherwise cap mill levies.

Support for public schools and expansion of equalization are apparent in other actions of the 1991 Legislature signed by the Governor which address kindergarten, transportation, gifted and talented, special education and telecommunications.

Kindergarten. Beginning in FY93, all elementary school districts in Montana will be required to provide kindergarten classes to all children whose parents choose to send their children to school. Since most districts currently maintain kindergartens, the total fiscal impact will be small.

Transportation. In an attempt to further address equalization, SB82 standardizes the funding mechanism for elementary and high school district transportation schedules by sharing the costs 50/50 between the state and county. Elementary school districts will no longer be required to participate in the funding of on-schedule transportation costs, resulting in a reduction of \$3.7 million in costs which previously were financed from district levies. These costs will be shifted to the counties which will finance them with an increased county transportation levy. These changes will produce more equalized tax burdens.

In addition to changes in cost shares, reimbursement rates for on-schedule transportation funding increased 6.25%. Total costs will be \$18,017,000 in FY92 and \$18,046,000 in FY93 after these increases. Special education transportation costs will total \$1,383,000 in FY92 and \$1,385,000 in FY93. The state will pay 100% of these on-schedule costs for special education transportation.

Gifted and Talented. State funding for gifted and talented distribution to local school districts increases 276% from \$200,000 in the 1991 biennium to \$552,000 for the 1993 biennium.

Special Education. With the passage of HB999, special education received an additional \$2,471,000. This was reduced in the special session by \$197,680, or 8% of 1991 appropriations, for a net addition of \$2,273,320 for the 1993 biennium. Special education funding was centralized in the Office of Public Instruction for education of students placed out of their home districts in in-state residential treatment facilities or psychiatric hospitals. Out-of-state placement of students will be funded with county equalization funds. Shifting these costs to the state will eliminate the uneven nature of these expenses in local districts.

Telecommunications. The legislature appropriated \$300,000 from the general fund each year to the Department of Administration and \$148,000 from the state equalization aid account each year to the Office of Public Instruction for telecommunications assistance to school districts. The use of telecommunications allows districts access to education that cannot now be efficiently provided, especially in small school districts.

Special Session Actions. The special session approved a school equalization supplemental appropriation because of an anticipated revenue shortfall in the school equalization account during the 1993 biennium. \$24,130,000 was appropriated to the school equalization account to fund the foundation payments and other appropriations from this account approved by the 1991 legislature.

BOARD OF PUBLIC EDUCATION

Teacher Certification Fees. HB431 increased the fee from \$5 to \$6 per year for teacher certification, with \$3 going to the state special revenue fund for use by the Advisory Council of the Board of Public

MAJOR BUDGET ISSUES

Education for the certification of teachers. The remaining \$3 is statutorily appropriated to the Board of Public Education for use by the Advisory Council to study a mentorship program in the public schools of Montana; the council will report its findings and recommendations to the next legislature. Previously, \$2 of the fee was deposited to the general fund. The loss to the general fund is \$58,880 per biennium.

HIGHER EDUCATION

University System. University system units are defined in HB454 for appropriation purposes and include the Board of Regents, the Office of the Commissioner of Higher Education, Montana State University, the University of Montana, Montana College of Mineral Science and Technology, Eastern Montana College, Northern Montana College, Western Montana College of the University of Montana, the Agricultural Experiment Station, Forest and Conservation Experiment Station, the Cooperative Extension Service, the Bureau of Mines, the Fire Services Training School, the five vocational-technical centers (Billings, Butte, Great Falls, Helena and Missoula), and the community colleges at Miles City, Glendive and Kalispell.

University System Funding Issues. The executive budget proposal was designed to allow maximum flexibility to the Board of Regents in administering the university system as recommended by the Education Commission for the Nineties and Beyond. In accordance with this philosophy, the highlights of the executive recommendation were: 1) a single lump sum appropriation for allocation by the regents to the "six units" (four colleges and two universities); 2) a single lump sum appropriation for allocation by the regents to the five vocational-technical centers and 3) an \$8,000,000 appropriation over and above the recommended biennial budget for regent-identified priorities. Additionally, the executive budget included \$421,906 for implementation of the Regents' Employee Reporting System (RERS). The legislature adopted some of the elements of the executive recommendation.

Lump Sum Appropriations. The legislature approved lump sum appropriations to each vo-tech center for general operations. The executive recommendation for a lump sum appropriation to the Board of Regents for the six units was not approved.

The \$8,000,000 regent discretionary funding recommended by the Governor was not specifically adopted; however, approximately \$8,700,000 was designated by the Joint Education Subcommittee to fund arbitrated faculty salary increases were included in HB2.

National Science Foundation Math Grant. The executive budget advocated using Big Sky Dividend funding to match a National Science Foundation mathematics grant. When the Big Sky Dividend Program failed, a general fund appropriation of \$1 million was included in HB2 at the end of the session. Montana is one of ten states selected to share \$75 million over five years to undertake statewide reform of math and science education programs from kindergarten through the undergraduate level. Montana will receive \$9.9 million, which will require a total match of \$5 million over five years.

Regents' Employee Reporting System (RERS). Funding for the RERS also was appropriated at the executive recommended level: \$191,724 was placed in the budgets of the six units; \$230,182 was allocated to the Office of the Commissioner of Higher Education (CHE).

American Indian Minority Achievement. HB125 appropriates \$175,648 general fund for the 1993 biennium to support the staff and operation of the director of American Indian/Minority Achievement in the CHE. The program had formerly received federal revenue. In his initial amendatory veto inserting the 1993 biennium sunset provision, Governor Stephens strongly encouraged the university system, tribal governments and other interested parties to obtain other sources of private and public funding for continuance of this program beyond July 1, 1993.

Special Session Actions. The special session adopted the Governor's recommendation to authorize the Board of Regents to allocate the special session reductions among the units.

Revenue collected from the 1.5 mill levy in excess of \$965,005 in FY92 and \$981,480 in FY93 must be added by budget amendment to offset special session reductions in Vocational-Technical Center appropriations.

Also, any revenue from the 6 mill levy in excess of \$11,887,000 in FY92 and \$12,131,000 in FY93 must

MAJOR BUDGET ISSUES

be added by budget amendment to offset special session reductions in the University System appropriations from the levels contained in the general appropriations act of 1991.

The Montana University System was excluded from the personal services transfer provisions applicable to all other state agencies, with the exception of the Commissioner of Higher Education's office.

The reductions for the Montana University System and the Office of the Commissioner of Higher Education were \$2,220,522 for FY92 and \$8,723,951 for FY93. For FY93, tuition revenue authority was increased by \$5,178,760, and the Board of Regents was authorized to allocate this authority among the units of the Montana University System, with the exception of the Office of the Commissioner of Higher Education. The tuition increase authority was granted to offset a portion of the general fund reduction.

COMMUNITY COLLEGES

Community college funding was originally increased 25.68% from \$6,389,962 appropriated in the 1991 biennium to \$8,031,102. The special session left the community colleges with a 20.59%, or \$1,315,872, net increase over the previous biennium. There were no adjustments to the funding formula by the special session. The reductions applied were 4% for FY92 and 8% for FY93.

The budgeted number of students increased 6.2% from 1,733 to 1,841. HB2 reflects an increase in the per-student cost factor from \$3,907 per FWFTE to \$4,031 in FY92 and \$4,163 in FY93. General fund support of the total unrestricted budgets of the three community colleges increases from 47% in FY91 to 51% in FY92 and 55% in FY93.

VOCATIONAL-TECHNICAL SYSTEM

Lump Sum Funding. The legislature appropriated funds to each vocational-technical center in a "lump sum" rather than by program as had been former practice. In addition, the vocational-technical centers are exempt from the restriction prohibiting transfer of amounts appropriated to personal services to other budget items in the 1993 biennium. These actions were taken by the legislature to provide the Board of Regents additional management flexibility. The Board of Regents will use the CUBA (College and

University Business Administration) fund structure and functional expenditure classifications in all fiscal matters pertaining to the postsecondary vocational-technical centers for the 1993 biennium.

Funding Formula. The executive budget recommended and the legislature implemented a new funding formula for the vocational-technical system in the 1993 biennium. While formula funding had been used for the vocational-technical system since 1981, the 1989 Legislature discontinued this practice. When the vocational-technical centers became state agencies in 1988, the state assumed funding responsibility for the centers' general operations. Prior to state assumption, the formula did not include expenditures funded by the local voted mill levy or services provided to the vocational-technical centers by local high school districts. Therefore, the formula component values did not reflect the total cost of center operations.

The funding formula implemented by the 1991 Legislature for the 1993 biennium includes all costs in the centers' general operating budgets funded by the current unrestricted fund. The Instruction and Support program budgets use a workload-related formula, and the Plant Operation and Maintenance program is calculated using a "base-plus-inflation" (incremental) approach.

Funding Formula Factors. The funding formula uses the following factors to estimate the current unrestricted Instruction and Support budget for the five vocational-technical centers:

1. The average of actual enrollment for the two most recent fiscal years (2572)
2. Student/faculty ratios (15.0 - 17.96)
3. Average faculty salaries (\$26,819 - \$31,625)
4. Faculty benefit rates (22%)
5. Instructional support cost per student (\$199)
6. Minor equipment cost per student (\$56)
7. An equalized capital equipment allocation by center (\$84,038), and
8. Support program cost per student (\$845 - \$1,462)

The Instruction and Support programs are 88% of the current unrestricted budget.

The student/faculty ratios for FY92 and FY93 reflect a regent-recommended operating ratio for a transitional adjustment from the actual FY90 student/faculty ratios towards the FY88 system average identified in the Postsecondary Education

MAJOR BUDGET ISSUES

Study Committee report. The average faculty salaries are based on the regents' proposal to achieve salary equity with the recently negotiated, system-wide salary matrix. Benefit rates are based on the FY89 system average.

Federal Carl Perkins Vocational Education Funds. The Legislative Auditor recommended in a FY90 audit report that, because of restrictions placed on the expenditure of these funds by federal law and the state plan, the funds, with the exception of indirect costs, should be deposited to the current restricted fund. The 1989 Legislature appropriated Carl D. Perkins funds in the current unrestricted fund. The 1991 Legislature removed the Carl D. Perkins funds from the current unrestricted operating budget and replaced them with general fund of \$1,140,000 for the 1993 biennium. The new federal act expressly states that the state cannot consider any federal Perkins allocation when determining state support of public educational institutions. The Carl Perkins vocational education funds will be available to secondary and postsecondary education agencies under the reauthorized federal act partly on a formula allocation basis and partly on a competitive grant basis.

This legislative action increases the centers' restricted fund expenditures by \$1,140,000 for the 1993 biennium. The legislature has not and is not now appropriating or reviewing restricted funds at the five vo-tech centers.

SIX UNITS AND ATTACHED AGENCIES (AES, CES, BOM, FSTS AND FCES)

Table 6 on the following page summarizes the General Appropriations Act for 1991 (HB2) and the 1991 Pay Plan Bill (HB509) for the six units of the Montana University System.

Faculty Salaries - Arbitrated Increases and Pay Plan. HB2 includes \$7,754,906 in the Instruction Program budgets of the six units to recognize faculty salary increases of 7% authorized by the Board of Regents in the last biennium over and above the raises appropriated by the 51st (1989) Legislature.

HB2 includes \$942,824 more for faculty employed at the unit-attached agencies.

Raises of 3-1/2% (2-1/2% arbitrated: 1% merit pool) were granted by the regents in each of FY90 and FY91 for all university system faculty as a result of an FY89 arbitration with the UTU (University Teacher's Union) representing contract faculty at UM. The arbitration and resultant 3-1/2% per year average salary increases occurred after the adjournment of the 51st (1989) Legislature. These increases were not addressed in the General Appropriations Act of 1989 (HB100), which had already included average 6% faculty salary increases per year for fiscal years 1990 and 1991.

In addition to the "six and six" percent faculty salary increase appropriated in HB100 by the 51st Legislature, the UTU contract stipulated that UM faculty members would receive an increase equivalent to the

TABLE 5
AVERAGE FACULTY SALARIES APPROPRIATED BY LEGISLATURE
General Appropriations Act Plus Pay Plan
FY89-FY93

	FY89	FY90	FY91	FY92	FY93	Increase	% Incr
UM	\$30,986	\$33,110	\$35,086	\$38,689	\$39,625	\$8,639	27.88%
MSU	\$30,986	\$33,110	\$35,086	\$38,689	\$39,625	\$8,639	27.88%
TECH	\$29,996	\$33,110	\$35,086	\$38,689	\$39,625	\$9,629	32.10%
EMC	\$27,722	\$28,000	\$29,680	\$32,921	\$33,857	\$6,135	22.13%
NMC	\$27,495	\$27,000	\$28,620	\$31,790	\$32,726	\$5,231	19.03%
WMCUM	\$27,495	\$27,000	\$28,620	\$31,790	\$32,726	\$5,231	19.03%

average statewide classification pay schedule increase appropriated by the 51st Legislature. The 51st Legislature appropriated an average 2-1/2% pay plan increase to all classified state employees; however, that pay plan (HB786) specifically excluded contract faculty. As the result of an arbitrated dispute of the language in the UM bargaining contract, UM was required to implement the pay increase for its contract faculty despite the fact that no pay plan appropriation had been made by the legislature. The other three units with bargaining contracts — EMC, NMC and WMCUM — also implemented the increase and funded it with internal reallocations in FY90 and FY91. HB2 effectively restores those internal reallocations to the base budgets of the four units. The two campuses without bargaining units, MSU and MT Tech, have not yet funded the increase but will be able to effectuate the increase beginning

MAJOR BUDGET ISSUES

in FY92 with HB2 funds. Average faculty salary increases contained in HB2, as described above, range from \$1,922 at NMC and WMCUM to \$1,993 at EMC and \$2,355 at MSU and UM.

The pay plan bill (HB509) enacted by the 52nd Legislature provides for additional faculty salary increases of \$.60 per hour beginning July 1, 1991; \$.25 per hour beginning July 1, 1992; and an additional \$.20 per hour effective January 1, 1993. The pay plan increases average faculty salary by \$1,248 in FY92 and an additional \$936 in FY93. The legislature appropriated \$13,929,000 in the pay

plan to the university system (six units and attached agencies).

By the end of FY93, as illustrated in Table 5 on the preceding page, average appropriated salaries for university system faculty will have increased more than 27% at UM and MSU, 32% at Montana Tech, and over 19% at the three remaining units. This does not include additional "market adjustment" salary increases which were considered by the Board of Regents at a June 1991 meeting in Havre.

TABLE 6
SUMMARY OF GENERAL APPROPRIATIONS AND PAY PLAN TO SIX UNITS
OF MONTANA UNIVERSITY SYSTEM

FY92-93 BIENNIMUM							
	MSU	UM	EMC	NMC	WMCUM	MCMST	SYSTEM
Base	\$99,565,160	\$85,930,959	\$30,689,386	\$15,857,009	\$9,583,050	\$18,787,787	\$260,413,351
Adjustments							
Personal Services:							
Arbitrated Salary	3,059,396	2,569,954	850,162	474,320	278,154	522,920	7,754,906
Net Minimum Wage	150,464	147,480	71,126	79,460	77,014	70,082	595,626
P.S. Reductions	(660,772)	(713,752)	(227,914)	(108,544)	(96,750)	(157,030)	(1,964,762)
Sub-Total HB2	2,549,088	2,003,682	693,374	445,236	258,418	435,972	6,385,770
Pay Plan HB509*	2,549,088	2,003,682	693,374	445,236	258,418	435,972	20,314,770
Personal Services							
Instruction & Support:							
RERS	57,160	51,532	29,216	18,100	17,730	17,986	191,724
Net Library	321,683	281,715	112,965	53,234	31,158	51,805	852,560
NMC-Great Falls	0	0	0	613,536	0	0	613,536
Disability Services	0	198,768	132,840	0	0	0	331,608
MSU Nursing	897,831	0	0	0	0	0	897,831
Accreditation Needs	1,564,503	398,802	695,653	—	—	890,784	3,549,742
Sub-Total I & S	2,841,177	930,817	970,674	684,870	48,888	960,575	6,437,001
Public Service	600,000	360,000	0	0	0	0	960,000
Research	0	214,000	0	0	0	0	214,000
Other:							
EMC-Adjustment	0	0	36,000	0	0	0	36,000
EMC-SID Bond Costs	0	0	16,527	0	0	0	16,527
Apsaruke Utilities	0	0	20,000	0	0	0	20,000
Math Grant	1,000,000	0	0	0	0	0	1,000,000
Other Adjustments	(7,558)	136,511	146,357	177,594	6,661	6,292	465,857
Sub-total Other	992,442	136,511	218,884	177,594	6,661	6,292	1,538,384
Special Session							
Budget Reductions	(3,424,169)	(3,123,194)	(1,025,573)	(484,006)	(306,159)	(626,421)	(8,989,522)
Tuition Increase*	—	—	—	—	—	—	5,178,760
Total HB-2 and HB-509*	\$103,123,698	\$86,452,775	\$31,546,745	\$16,680,703	\$9,590,858	\$19,564,205	\$286,066,744

*Note: The pay plan has not been allocated to the individual units. Some of the pay plan funding will go to agencies attached to units.

MAJOR BUDGET ISSUES

Accreditation Appropriations. HB2 includes \$3,549,742 general fund for the 1993 biennium to address accreditation needs of various campuses:

MSU Engineering	\$1,564,503
UM Pharmacy School	398,802
MT Tech Instruction	890,784
EMC Education	695,653

MSU Nursing Program. HB2 includes \$897,831 general fund for expansion of the MSU nursing program to accommodate students who have applied for upper division training.

Public Service. HB2 includes \$960,000 general fund for public service-related activities. The Museum of the Rockies receives \$300,000; the UM Repertory Theatre receives \$180,000 and the public television stations at MSU and UM receive \$300,000 and \$180,000 respectively.

Research. UM is appropriated \$184,000 in HB2 to fund an additional faculty member and equipment at the Yellow Bay Biological Station, which conducts research on the maintenance of water quality in freshwater lakes, streams and rivers. Additionally, UM receives \$30,000 to replace private grant money which formerly funded the publication of Economics Montana.

Library Acquisitions. Biennial budget modifications totalling \$852,560 are added to the Support Programs in HB2 to fund systemwide library needs.

Federal Minimum Wage. Budget modifications in HB2 total \$595,626 to provide funding for the six units to substantially offset the cost of the increase in the minimum wage for student employees.

Personal Service Reductions. Personal services reductions for the six units total \$1,964,762. This represents a 2% reduction in personal services for non-faculty personnel in the Support and Instruction programs and a 4% reduction of personal services in incrementally budgeted programs. Personal services reductions of 4% totalling \$504,443 were applied to non-faculty personal services in the AES, CES, and the Bureau of Mines.

Biological Weed Control. The Agricultural Experiment Station was appropriated \$140,572 in HB2 for biological weed control of cropland weeds.

Fire Services Training School. The Fire Services Training School (FSTS), which is administratively

attached to the Cooperative Extension Service (CES), will transfer to the CUBA fund structure beginning in FY92. Language in HB2 provides that the FSTS "must be provided office, classroom and storage space in the Great Falls vocational-technical center at no charge."

CES Extension Forestry Program. HB906 was enacted to increase fees paid under fire hazard reduction agreements to support expansion of the extension forestry program in the CES. In addition to increased fees, general fund of \$57,500 in FY92 and \$59,500 in FY93 is added to the CES budget in HB2.

Genetic Engineering Research. HB365 provides the MSU Agricultural Experiment Station \$60,000 for the 1993 biennium to support applied genetic engineering technology research and development to enhance Montana agricultural products. This bill continues the seed potato research program initiated in HB398 passed by the 51st Legislature.

Clean Fuels Information Center. HB684 appropriates \$500,000 for the biennium from the local impact account to Eastern Montana College to provide funding for a clean fuels information depository, distribution and market development center.

Significant Language in the General Appropriations Act and HB454.
Language in HB2 specifies:

"It is understood by the 52nd legislature that the appropriations contained in (this act) for the six university units may result in the board of regents electing to limit or reduce enrollment during fiscal 1992 and fiscal 1993. It is the intent of the 52nd legislature that if actual enrollments during the 1993 biennium are fewer than the budgeted number of student full-time equivalents for the 1993 biennium, systemwide or by unit, the legislative fiscal analyst shall present to the 53rd legislature a current level budget for the six units, systemwide and by unit, no lower than the budgeted amount for the 1993 biennium. It is further understood by the 52nd legislature that shortfalls in student tuition due to enrollment declines may be presented to the 53rd legislature for a supplemental appropriation. These tuition shortfalls are not expected to be made up by per student full-time equivalent tuition increases."

MAJOR BUDGET ISSUES

This language demonstrates recognition by the legislature that the regents may downsize the system from its FY92-93 budgeted average enrollment of approximately 25,000 students. Even if enrollment declines, the Legislative Fiscal Analyst's FY94-95 current level budget, which has historically been enrollment-driven, must be at least equivalent to the FY92-93 budget for the six units. Further, the language acknowledges that supplemental general fund appropriations due to tuition shortfalls may be anticipated.

HB454 provides that all moneys appropriated to the university system (six units, vo-techs and agencies) will revert to an account held by the Board of Regents. (Excess millage receipts and funding for EMC Apsaruke Hall utilities, however, must revert to the general fund as provided in HB2.) Accumulated funds in this regent-controlled account are statutorily appropriated for use in accordance with a long-term plan for major and deferred maintenance and equipment or fixed asset purchases approved by the Board of Regents. The board is required to communicate the long-term plan to each legislature and to the Office of Budget and Program Planning.

STATE EMPLOYEE PAY

The compensation of state employees was one of the most important and controversial issues tackled by the 1991 Legislature. Employee organizations, frustrated by years of frozen or perceived inadequate pay increases, were well organized and kept the issue at the forefront until the final legislative day. The Administration shared the concern over pay levels and the compensation structure. Retention and recruitment of professional and technical employees was becoming a serious problem.

The 1989 Legislature shared the concern. An interim resolution was passed to study the problem and develop recommendations for consideration by the 1991 Legislature. The Committee on State Employee Compensation, a nine-person study committee was formed by the Governor. This committee consisted of state government officials, members of the private sector, union representatives and legislators. Numerous hearings were held and recommendations developed.

The committee, concerned about retention and recruitment problems, recommended a "market based" philosophy for state government compensation.

This recommendation proved to be controversial because employees at or near the market level would receive little increase in pay. The controversy resulted in competing pay proposals which differed in amount of pay increase, structure of the increase and cost.

HB502 was by far the simplest proposal. A one-time lump sum payment of \$1,000 would be made from the general fund to compensate employees for previous pay freezes. HB502 was projected to cost \$18 million.

HB529 also dealt with concern for employees who worked under the previous freeze. Additional compensation was directed toward these employees through the reinstatement of lost step increases. In FY92 each employee would receive an automatic step increase plus up to two retroactive steps. The second year up to three retroactive steps would be reinstated. The proposal also provided for a six percent increase in the pay matrices for each year. Only employees covered by the major pay matrix would have received these increases. The proposal was estimated to cost \$106 million over the biennium, of which \$52 million would have come from the state general fund.

HB514, in its original form, would have granted each employee a \$3,000 increase in salary and insurance contributions for each year of the biennium. The insurance contribution portion amounted to an increase of \$30 per month the first year and an additional \$50 the second. This proposal was the most expensive of those considered. It would have provided an additional \$157 million of compensation to state employees over the biennium at a cost to the general fund of \$57 million.

The Governor adopted the philosophy of the Committee on State Employee Compensation in the form of HB509. The proposal would have given every employee a minimum increase of three percent per year. To this minimum was added a market catch-up of .125 percent for each percent the employee's pay was below the market level. Insurance increases of \$15 per month were proposed for each year of the biennium. The Governor's proposal was the least costly. An additional \$55

MAJOR BUDGET ISSUES

million was required to fund the increases, of which \$28 million was from the general fund.

The House State Administration Committee heard all of the pay proposals at once. A subcommittee was formed to conduct further debate and to develop recommendations for consideration of the full committee. HB514 ultimately was passed out of committee. By the third reading, HB514 was amended to provide a flat \$1 per hour increase in each year of the biennium. The cost was reduced to \$120 million and required \$65 million of general funds. The proposal passed third reading in the House and was transmitted to the Senate.

The Senate reduced the hourly increase to 60 cents. In a compromise move, a market-based entry level floor was added to help address recruitment problems. The cost was reduced to \$80 million over the biennium. The general fund would have contributed \$41 million of this amount. This amended version ultimately passed the Senate, returned to the House, and finally was transmitted to the Governor for his signature.

An amendatory veto was issued by the Governor due to the bill's failure to adequately address recruitment and retention problems, and because the bill could not be financed within available resources. In the amendatory veto, the Governor substituted his bill for the approved version. The amendatory veto was not concurred in by either House. Attempts to override the veto failed, and a five-day union strike ensued.

In an effort to settle the employee strike and to pass an affordable compensation package, a compromise measure was crafted on the final day of the session. The proposal melded the flat hourly increase with the market-based philosophy. A flat 60 cents per hour was provided in the first year. An additional 45 cents was provided in the second but was phased in through half-year increments to reduce cost. To these amounts, the market-based catch-up was added to address recruitment and retention problems. The bill was quickly passed by both Houses and signed when it reached the Governor's desk. Striking state employees were back to work soon thereafter.

The bill contained appropriations of \$33 million in general fund and \$34 million of other funds. However, a portion of the true cost was not funded because vacancy savings was subtracted from the funding. The amount of underfunding totals almost \$4 million relative to the cost of pay increases

beginning on the first day of each year of the biennium.

LONG-RANGE BUILDING PROGRAM

The Governor recommended a total Long-Range Building Program (LRBP) of \$111.0 million, including 56 cash projects at a cost of \$52.1 million and five bonded projects at \$58.9 million. The 1991 Legislature approved a total program of \$132.8 million, including 73 cash projects at a cost of \$69.8 million, plus four university system projects at a general fund cost of \$1.8 million, and five bonded projects at \$61.3 million. Since the LRBP was initiated in 1965 to provide funding for construction and maintenance of state buildings and grounds, this was the largest capital program approved by the state legislature. In addition, general fund had not been used to supplement the long-range building cash account since the 1977 session.

Expansion of the program was made possible by appropriation of the cash reserve, by addition of the \$1.8 million general fund, and by return of \$1 million from the Mansfield Foundation. The FY83 appropriation for the Mansfield Center for Pacific Affairs (HB833, Section 7, Laws of 1983) was returned to the cash account because the funds had to be used exclusively for construction of the center at Polson and the foundation had no plans to commence the construction project.

Cash Building Program. Table 7 on the following page summarizes the 1993 biennium building program appropriations by agency. The long-range building fund (LRBF) or "cash" account receives 20.25% of the cigarette taxes authorized in 16-11-111, MCA. In addition, Architecture and Engineering Division supervisory fees, interest earnings and the account balance are credited to this account. The projects funded in whole or in part from the state LRBF total \$8,382,298 for the biennium.

There is \$1.8 million general fund appropriated for the Montana University System, including \$283,000 for Northern Montana College gym repair. Auxiliary funds have typically been used for this purpose;

MAJOR BUDGET ISSUES

general fund was last appropriated for a gym more than 65 years ago. Special revenue includes Department of Fish, Wildlife and Parks license fees and Department of Military Affairs federal matching funds. University system auxiliary and donated funds are the largest source of other revenue for the approved projects. These non-LRBF cash sources total \$63,155,057; the total cash program approved for the biennium is \$71,537,355.

Bonded Building Program. The Governor proposed that the LRBP include a \$58.9 million bonded program for five high-priority projects. The 1991 Legislature approved a \$61.3 million bonded program for five projects, as shown below. The Department of Military Affairs Libby armory is approved for a total of \$1.23 million, of which \$400,000 is from general obligation bond proceeds and \$827,000 is from federal special revenue.

The Department of Corrections and Human Services is included for \$19.36 million to construct two high-security units on the Montana State Prison campus and additional support facilities, with \$877,500 for design costs appropriated from the LRBF. The executive budget recommended use of inmate labor for portions of the construction, but neither HB339 nor HB1005 to authorize this construction work were approved by the legislature. The construction cost for the prison was projected to be as much as \$1.67 million higher without the use of inmate labor. To the extent redesign is not feasible, an additional

appropriation request may be presented to the next session. There is \$10.08 million for a new 120-bed Women's Correctional Center to be financed by general obligation bonds and to be located in Billings, as selected under provisions of HB528. Because no appropriation was made for the \$562,400 planning and design costs, the Department of Administration will pay these expenses from the bonds sold.

Long-Range Building Program 1993 Biennium Bonded Program		Bond Proceeds
Agency - Project		
Military Affairs - Libby Armory		\$ 400,000
Institutions - MT State Prison		19,360,745
Institutions - Women's Correction Ctr		10,075,600
MSU - Engineering/Physical Sci		18,401,510
UofM - Business Admin Building		13,022,975
Total Appropriations		\$61,260,830

Montana University System projects are approved for the balance of the bonded program. Construction of an Engineering/Physical Sciences building at MSU was recommended in the executive budget with a 15% match to be provided by the university. The legislature reduced the match to 12% and provided \$367,000 general fund. The MSU facility appropriations are \$2,301,200 university matching funds, \$1,165,290 LRBF for planning and design, \$367,000 general fund, and \$18,401,510 general obligation bond proceeds, for a total of \$22,235 million.

Table 7
Long-Range Building Program
1993 Biennium Cash Appropriations

Agency	LRBF	General Fund	State Spec Revenue	Federal Spec Revenue	Other Revenue	Total
Administration	\$939,625	\$0	\$500,000	\$1,000,000	\$720,800	\$3,159,625
School for Deaf & Blind	339,000	0	0	0	0	339,000
Family Services	154,6000	0	0	0	154,600	
Fish, Wildlife & Parks	0	0	11,559,356	2,296,000	0	13,855,356
Transportation	0	0	1,861,100	581,882	51,773	2,494,755
Institutions	1,572,848	0	0	14,000	321,976	1,908,824
Labor and Industry	0	0	0	519,450	0	519,450
State Lands	118,280	0	191,900	100,000	0	410,180
Military Affairs	171,000	0	0	18,312,000	0	18,483,000
Montana University System	5,086,945	1,767,500	0	12,000,000	11,358,120	30,212,565
Total Appropriations	\$8,382,298	\$1,767,500	\$14,112,356	\$34,823,332	\$12,451,869	\$71,537,355

MAJOR BUDGET ISSUES

The Business Administration building at the University of Montana includes \$604,705 in the cash program for design work, \$1,858,320 university matching funds, and \$13,022,975 general obligation bond proceeds, for a total of \$15.486 million.

APPROPRIATION CONSTRAINTS AND POLICY

The legislature made significant revisions to substantive law governing appropriations policy and to HB2 language providing appropriations constraints and requirements. The boilerplate of the general appropriations act was reduced by enactment of HB454, which was drafted during the interim by staff from the Office of the Legislative Auditor, the Office of the Legislative Fiscal Analyst (LFA) and the Office of Budget and Program Planning (OBPP). It was introduced by request of the Legislative Audit Committee, the Legislative Finance Committee and OBPP. This bill codifies conditions for appropriations which previously were contained in each general appropriations act.

Significant provisions of HB454 clarified expenditure of nongeneral fund money first, defined "agency" for purposes of appropriations and capital projects, established a new Board of Regents six-year account for major maintenance and equipment purchases to be funded with appropriations which would otherwise have been reverted, and generally defined other accounts and appropriations provisions.

In the general appropriations act, the legislature revised and continued the limitations on expenditure of funds appropriated for personal services under any other category unless the request is justified either on the basis of documented cost savings or inability to recruit and hire professional positions. The Legislative Audit Committee will report to the 53rd Legislature on the cost savings based on analysis of reports from approving authorities. Requirements also were continued for agencies to report by program on reorganization of functions or movement of five or more FTE from one program to another.

New significant boilerplate provisions included:

- Reductions of up to 4% of personal services were applied to state agency appropriations. The LFA was directed to allocate these reductions among programs

within agencies prior to the act being enrolled. This allocation will cause severe problems for some agencies because the earlier reduction calculations included various non-personal services items such as federal hot lunch programs, capital projects duplicate transfer authority, grants to various state and local entities, federal revenue which will be lost and reallocated to other states, and state funds which were essential to meet federal maintenance of effort requirements. Several of the larger agencies were able to meet maintenance of effort requirements by making significant reductions in other state programs. Initially, OBPP thought some of the most severe remaining problems might be mitigated through allocation of the pay plan appropriations, but the pay bill for executive branch agencies also was underfunded by \$2.8 million general fund and \$1.5 million other funds for the 1993 biennium, relative to full year funding.

- An across-the-board .5% budget reduction was instituted for general government and transportation agencies only.
- Authorized positions which remain vacant for more than six months may only be filled after approval by the approving authority. The approving authority must document in writing the justification and approval and must provide that documentation to OBPP and the LFA if requested. Moreover, if a budgeted position remains unfilled for more than one year, the approving authority may not include the position in the budget request base that will be presented to the 53rd Legislature.
- Proprietary accounts and designated subfunds are to be examined by each agency. Plans are to be reported to the Office of the Legislative Auditor after FY92 for spending, monthly account balances, and whether to reduce or add monies to accounts.

Significant issues which were discussed and may be raised during the 53rd Legislature included administrative authorizations for appropriation control purposes, deletion of or limitations on recording of accruals, criteria for acceptance and expenditure of nonstate special revenue from private sources, and restrictions on expenditures for equipment and capital acquisitions outside of a statewide long-range plan for this purpose.

1992-93 Budget and Appropriations Summary



APPENDICES

APPENDIX A: CAPITAL IMPROVEMENT PROJECTS

Agency/Project	Capital Project Fund	Other Appropriated Funds	
Department of Administration			
Hazardous Material Abatement, Statewide	594,625	150,000	Auxiliary
State Building Energy Retrofit, Statewide		500,000	Nonstate State Special
		1,000,000	Federal Special
		500,000	Auxiliary
Construction Litigation	345,000		
Capitol Complex Water Supply		50,000	Proprietary Funds
Capitol Complex Land and Development		20,000	Capitol Land Grant
Department of Commerce			
Yellowstone Airport Facilities		51,773	Proprietary Funds
		465,957	Federal Special
Department of Education			
Roof Repair, Academic Building, Montana			
School for the Deaf and Blind	339,000		
Department of Family Services			
Pine Hills Fencing	27,000		
Roof Repairs, Family Services	127,600		
Department of Fish, Wildlife and Parks			
Remove Underground Storage Tanks		150,000	State Special Revenue
Headquarters Maintenance, Statewide		85,000	State Special Revenue
Property Development, Statewide		360,000	State Special Revenue
State Park Maintenance, Statewide		3,798,500	State Special Revenue
		1,124,500	Federal Special
Fish Hatchery Maintenance, Statewide		37,500	State Special Revenue
		112,500	Federal Special
Fishing Access Improvements, Statewide		286,000	State Special Revenue
		858,000	Federal Special
Motorboat Access Facilities, Statewide		67,000	State Special Revenue
		201,000	Federal Special
Wildlife Habitat Maintenance, Statewide		304,000	State Special Revenue
Waterfowl Habitat, Statewide		349,500	State Special Revenue
Fishing Access Acquisition, Statewide		881,000	State Special Revenue
Wildlife Habitat Acquisition, Statewide		4,923,356	State Special Revenue
Bighorn Sheep Habitat Acquisition, Statewide		48,500	State Special Revenue
River Restoration, Statewide		219,000	State Special Revenue
Wildlife Habitat Enhancement, Statewide		50,000	State Special Revenue
Department of Highways			
Maintenance Projects, Statewide	450,000	Highways State Special	
Expand Maintenance and Storage, Statewide	1,167,600	Highways State Special	
		115,925	Federal Special
Maintenance Projects, Statewide		243,500	Highways State Special

APPENDIX A: CAPITAL IMPROVEMENT PROJECTS

Agency/Project	Capital Project Fund	Other Appropriated Funds	
Department of Corrections and Human Services			
Seal Buildings, State Prison	25,000		
Building Improvements, Center for Aged	105,015		
Replace Flooring, Montana State Hospital	26,800		
Galen Repair Projects	181,000		
Replace Water and Steam Lines, MDC	116,708		
Replace Roofs, Institutions	30,000		
Moisture Protection, Eastmont	98,450		
State Hospital Infrastructure Study	112,375		
Expand Industries Facilities, Prison		321,976	Proprietary
		14,000	Federal Special
Department of Labor and Industry			
Renovate Great Falls Job Service		310,000	Federal Special
Various Maintenance Projects		209,450	Federal Special
Department of State Lands			
Construct Greenhouses, Missoula		191,900	State Special Revenue
Maintenance Projects, Statewide	118,280	100,000	Federal Special
Department of Military Affairs			
Kitchen Upgrade, Statewide	5,000		
Rifle Range Rehabilitation, Statewide	10,000	555,000	Federal Special
Armory Additions, Statewide	1,000	16,155,000	Federal Special
Land and Planning for Billings Armory	150,000	200,000	Federal Special
Expand Vehicle Compounds, Statewide	5,000	275,000	Federal Special
Federal Spending Authority		300,000	Federal Special
Libby Armory		827,000	Federal Special
Montana University System			
Electrical Vault Disconnect, Eastern	31,000	14,000	Auxiliary
Fire Alarm System, U of M	70,000		
Repair Roofs, University System	1,154,550	350,000	Plant
Improve Underground Facilities, System	296,000	200,000	Auxiliary
Improve Heating System, Western	57,900		
Improve Handicap Access, System	335,000		
Replace Carpet, Gt. Falls Vo-Tech	60,000		
Sidewalks and Fire Access, System	86,000		
Window Retrofit, Tech Museum	142,000		
Various Improvements, U of M		2,584,600	HigherEd/Donations
Centennial Mall, MSU		1,600,000	Plant
Remodel Student Union, Western		600,000	Auxiliary
Construct Engineering Complex, MSU		2,301,200	HigherEd/Donations
Life Sciences Building, U of M		12,000,000	Federal Special
Construct Business Building, U of M		1,858,320	HigherEd/Donations
Multipurpose Building, Ag Research Center	150,000	150,000	HigherEd/Donations
Repair Northern Gym	934,500	1,700,000	HigherEd/Donations
Deferred Maintenance and Equipment, System		517,500	General Fund

APPENDIX A: CAPITAL IMPROVEMENT PROJECTS

Agency/Project	Capital Project Fund	Other Appropriated Funds
Repair Northern Gymnasium		283,000 General Fund
Equipment for Eastern		600,000 General Fund
Construct Engineering Complex, MSU		367,000 General Fund

The following money is appropriated to the Department of Administration in the amounts indicated for the purpose of planning the projects financed through the sale of bonds:

Preliminary Design of Prison Expansion	877,500
Preliminary Design, University System:	
Engineering Building, MSU	1,165,290
Business Administration Building, U of M	604,705

The following money is appropriated from the bond proceeds and other funding sources to the Department of Administration contingent upon the respective authorization and sale of general obligation long-range building program bonds by the 52nd Legislature and the Board of Examiners:

Major Expansion, Montana State Prison	19,360,745
Construct Engineering Complex, MSU	18,401,510
Construct Business Building, U of M	13,022,975
Construct Women's Correction Center	10,075,600
Construct Libby Armory	400,000

APPENDIX B: BUDGET SUMMARY BY FUND

GENERAL FUND

Agency	Actual FY 1988	Actual FY 1989	Actual FY 1990	Actual FY 1991	Authorized FY 1992	Authorized FY 1993
Legislative Branch						
Legislative Auditor	1,054,721	1,051,657	1,024,930	1,088,384	1,193,837	1,298,049
Legislative Fiscal Analyst	756,870	800,548	716,021	813,062	930,349	874,797
Legislative Council	1,574,670	2,274,353	1,970,983	2,629,894	2,163,846	2,063,545
Legislature-Senate	110,150	1,392,480	270,836	1,302,927	156,635	0
Legislature-House	181,526	2,191,998	445,568	2,156,994	269,275	0
Environmental Quality Council	217,076	224,861	221,779	252,295	289,278	294,493
Subtotal Legislative Branch	3,895,371	7,935,897	4,650,117	8,243,556	5,003,220	4,530,884
Judiciary						
	4,217,088	4,264,689	4,778,026	4,901,700	8,355,267	8,613,659
Elected Officials						
Governor's Office	2,152,967	2,254,657	2,501,609	2,576,373	2,691,820	2,367,341
Secretary of State's Office	545,399	542,290	882,161	942,642	994,647	989,539
State Auditor's Office	809,795	975,441	2,425,460	2,305,602	2,289,681	2,146,968
Office of Public Instruction	37,288,754	37,253,519	45,056,328	44,965,256	74,207,039	44,003,706
Department of Justice	5,113,949	5,092,587	9,885,144	10,571,343	12,295,791	12,595,477
Public Service Regulation	1,645,494	1,662,823	1,683,402	1,807,979	2,180,104	2,084,396
Subtotal Elected Officials	47,556,358	47,781,317	62,434,104	63,169,195	94,659,082	64,187,427
University System						
Commissioner of Higher Ed	96,807,139	96,934,279	103,494,329	111,956,179	127,903,519	122,929,168
Board of Regents	195,944	32,964	0	0	0	0
Fire Services Training School	196,811	201,362	220,258	219,031	243,363	225,792
Subtotal University System	97,199,894	97,168,605	103,714,587	112,175,210	128,146,882	123,154,960
Executive Branch						
Commissioner of Political Prac	83,771	101,505	106,111	116,961	158,077	122,618
Crime Control Division	408,864	392,334	409,615	377,600	466,593	494,184
Highway Traffic Safety	76,050	166,350	200,000	192,250	183,080	183,080
Board of Public Education	163,176	145,538	125,014	105,859	112,331	109,739
School for the Deaf & Blind	2,042,442	2,085,015	2,367,325	2,635,062	2,704,767	2,738,477
Montana Arts Council	124,904	120,446	131,169	125,803	136,371	17,657
Library Commission	541,214	523,765	851,218	896,105	1,175,988	1,033,747
Historical Society	1,098,352	1,108,532	1,150,694	1,174,506	1,295,221	1,303,402
Dept of Fish, Wildlife & Parks	0	0	0	0	396,278	400,623
Dept Health & Environ Sciences	3,577,682	3,673,784	3,522,186	3,648,333	4,527,349	3,397,314
Dept of Transportation	0	0	0	0	549,858	360,558
Department of State Lands	8,156,471	17,834,366	8,833,994	10,216,807	14,347,344	8,700,477
Department of Livestock	719,093	756,254	756,213	805,459	749,564	812,272
Dept Nat Resource/Conservation	3,774,526	3,819,448	3,933,503	4,430,944	4,350,214	4,596,354
Department of Revenue	17,077,839	17,407,111	22,111,020	36,610,992	39,948,620	39,554,627
Department of Administration	17,102,520	14,708,316	35,244,000	15,525,659	17,034,935	23,418,393
PERS and TRS	0	0	0	0	3,340,000	3,730,000
Long Range Building Plan	0	0	0	0	1,767,500	0
Department of Agriculture	1,485,339	1,559,047	1,523,864	1,538,608	1,150,749	1,030,785
Dept of Corrections Human Services	60,354,403	61,393,396	66,042,016	68,354,983	74,358,410	74,348,825
Department of Commerce	4,707,969	4,790,425	5,321,038	5,619,902	3,446,089	2,651,770
Labor & Ind-Employment Servs	1,854,811	1,992,982	767,184	795,853	742,987	723,297
Workers' Comp/State Fund	52,446	48,902	0	0	0	0
Adjutant General	1,811,554	1,850,213	1,981,153	2,748,160	2,200,329	2,013,735
Dept Social & Rehab Services	73,111,867	76,861,548	78,361,446	88,688,150	99,114,146	101,674,147
Department of Family Services	19,570,214	19,780,337	22,010,527	24,127,102	32,019,049	30,392,441
Subtotal Executive Branch	217,895,505	231,119,615	255,749,290	268,735,098	306,275,849	303,808,522
Total General Fund						
	370,764,216	388,270,121	431,326,124	457,224,759	542,440,300	504,295,452

APPENDIX B: BUDGET SUMMARY BY FUND

STATE SPECIAL REVENUE FUND

Agency	Actual FY 1988	Actual FY 1989	Actual FY 1990	Actual FY 1991	Authorized FY 1992	Authorized FY 1993
Legislative Branch						
Legislative Auditor	952,295	1,020,996	1,034,587	1,052,840	1,353,297	1,366,148
Legislative Council	416,489	166,402	412,593	199,171	1,141,542	505,483
Environmental Quality Council	45,903	47,801	7,034	8,936	26,451	0
Consumer Counsel	644,941	642,970	620,028	789,881	919,549	946,842
Subtotal Legislative Branch	2,059,629	1,878,170	2,074,242	2,050,828	3,440,839	2,818,473
Judiciary	467,027	518,392	429,267	995,148	1,046,240	1,076,354
Elected Officials						
Governor's Office	339,745	1,059,736	559,082	777,749	99,583	108,759
Secretary of State's Office	567,917	535,004	142,058	164,514	182,493	184,635
State Auditor's Office	1,458,924	8,401,159	7,404,365	7,474,298	7,611,628	7,659,208
Office of Public Instruction	183,828,530	282,456,651	263,543,708	368,546,189	371,178,842	371,104,692
Department of Justice	14,662,370	15,201,009	25,609,258	27,958,210	33,886,585	33,677,970
Subtotal Elected Officials	200,857,486	307,653,560	297,258,471	404,920,960	412,959,131	412,735,264
University System						
Commissioner of Higher Ed	14,631,961	14,154,661	15,083,480	14,300,423	12,998,124	13,258,599
Executive Branch						
Chiropractic Legal Panel	0	0	0	9,750	13,000	13,000
Commissioner of Political Prac	1,066	2,533	0	0	0	0
Crime Control Division	280,856	229,028	281,504	441,106	664,757	1,143,498
Highway Traffic Safety	66,227	71,943	60,950	66,712	78,986	80,807
Board of Public Education	41,022	51,485	64,773	68,153	161,481	162,510
School for the Deaf & Blind	0	0	160,042	184,100	190,000	190,000
Montsans Arts Council	426,390	669,348	541,441	741,447	1,415,780	225,281
Library Commission	561,163	731,002	727,680	726,397	470,586	403,934
Historical Society	14,173	65,424	235,190	200,920	239,733	167,598
Dept of Fish, Wildlife & Parks	18,729,540	22,254,533	23,654,968	21,611,306	30,753,901	22,143,646
Dept Health & Environ Sciences	2,121,568	3,055,980	5,482,696	6,140,649	18,217,599	12,582,764
Department of Transportation	149,437,590	164,526,600	200,057,433	221,616,268	182,609,798	194,671,067
Department of State Lands	2,292,711	2,578,604	3,910,931	5,195,955	8,752,464	4,990,084
Department of Livestock	3,350,499	3,319,807	3,479,401	3,764,581	4,081,631	3,899,307
Dept Nat Resource/Conservation	17,357,162	28,910,483	9,944,126	20,124,028	37,869,451	7,158,292
Department of Revenue	10,310,994	9,200,456	9,743,759	47,261,589	45,759,910	45,772,148
Department of Administration	1,971,547	3,306,298	2,293,061	2,635,752	2,878,983	2,908,987
Long Range Building Plan	2,512,564	2,908,035	1,707,549	1,412,673	7,747,000	0
Department of Agriculture	1,167,531	1,514,110	3,418,144	3,980,566	5,059,445	5,234,681
Dept of Corrections and Human Services	4,567,768	4,484,541	5,117,418	5,333,398	6,361,378	6,394,791
Department of Commerce	18,125,150	19,494,884	13,745,685	19,546,643	14,998,237	14,001,716
Labor & Ind-Employment Servs	176,064	290,403	2,732,103	2,829,765	2,988,841	3,067,258
Workers' Comp/State Fund	19,582,527	21,818,495	16,347,920	12,713,976	14,026,737	14,000,000
Adjutant General	0	0	0	0	32,172	41,169
Dept Social & Rehab Services	8,074,849	8,133,748	10,777,680	11,259,124	14,451,537	14,956,434
Department of Family Services	94,487	85,867	2,279,589	2,258,102	3,010,390	3,045,735
Subtotal Executive Branch	261,263,445	297,703,611	316,764,043	390,122,960	402,833,797	357,254,707
Total State Special Revenue Fund	479,279,548	621,908,393	631,609,503	812,390,319	833,278,131	787,143,397

APPENDIX B: BUDGET SUMMARY BY FUND

FEDERAL REVENUE FUND

Agency	Actual FY 1988	Actual FY 1989	Actual FY 1990	Actual FY 1991	Authorized FY 1992	Authorized FY 1993
Legislative Council	9,260	12,635	0	0	0	0
Judiciary	67,737	31,776	0	0	200,000	0
Elected Officials						
Governor's Office	430,193	419,812	391,455	429,517	481,397	491,411
State Auditor's Office	6,552,601	8,385,856	7,715,901	11,333,675	10,000,000	10,000,000
Office of Public Instruction	6,021,945	7,195,057	7,472,249	7,391,231	13,536,480	4,244,630
Department of Justice	1,416,773	1,293,704	1,127,852	1,280,954	1,166,595	1,172,706
Public Service Regulation	27,946	18,457	21,780	21,378	26,337	27,100
Subtotal Elected Officials	14,449,458	17,312,887	16,729,237	21,456,755	25,210,809	15,935,847
University System						
Commissioner of Higher Ed	4,736,221	7,240,704	6,727,756	6,598,372	7,659,040	7,682,698
Board of Regents	792,778	661,913	0	0	0	0
Fire Services Training School	8,500	25,344	16,847	12,696	0	0
Subtotal University System	5,537,498	7,927,961	6,744,603	6,611,068	7,659,040	7,682,698
Executive Branch						
Crime Control Division	1,880,246	1,737,683	2,410,936	3,451,662	3,444,693	3,476,320
Highway Traffic Safety	1,104,339	1,283,403	1,170,719	1,028,555	915,538	924,196
Board of Public Education	4,968	10,032	0	0	0	0
School for the Deaf & Blind	385,918	361,573	184,723	188,002	165,482	165,447
Montana Arts Council	417,245	407,398	358,112	402,529	791,414	222,571
Library Commission	630,066	740,429	898,955	738,088	2,315,403	383,406
Montana Council on Vocational Ed	108,597	123,658	127,688	130,577	174,617	173,106
Historical Society	504,634	751,249	439,092	386,791	647,066	628,210
Dept of Fish, Wildlife & Park	6,813,809	6,448,284	8,800,874	8,387,687	11,450,442	10,715,236
Dept Health & Environ Science	21,496,070	24,531,674	22,137,488	27,402,497	35,226,429	35,572,856
Department of Transportation	107,618,666	104,507,034	97,097,926	106,284,379	147,123,720	148,826,975
Department of State Lands	7,069,689	7,549,269	9,256,265	8,203,766	9,937,067	9,823,635
Department of Livestock	52,906	168,460	253,551	276,552	310,028	319,733
Dept Nat Resource/Conservation	2,952,037	6,086,454	1,207,634	2,271,506	9,548,814	2,260,733
Department of Revenue	1,586,228	1,621,233	233,724	238,221	310,994	318,832
Long Range Building Plan	709,386	670,168	1,933,093	1,345,628	38,408,569	0
Department of Agriculture	1,319,098	1,287,219	386,604	524,896	656,519	466,165
Dept of Corrections and Human Services	4,799,406	5,300,712	4,672,325	5,736,095	5,093,641	4,452,276
Department of Commerce	16,169,597	18,136,928	17,611,180	19,849,781	23,853,886	23,854,770
Labor & Ind-Employment Servs	25,719,920	28,231,639	29,688,519	33,265,012	35,970,230	37,113,533
Adjutant General	2,985,715	4,569,660	3,635,147	3,374,900	3,856,961	3,949,633
Dept Social & Rehab Services	181,955,029	195,396,210	212,018,521	255,182,167	285,442,687	295,071,999
Department of Family Services	11,218,233	11,953,277	10,192,942	11,435,088	17,227,368	17,639,744
Subtotal Executive Branch	397,501,802	421,873,646	424,716,018	490,104,379	632,874,568	596,359,376
Total Federal Revenue Fund	417,565,755	447,158,905	448,189,858	517,172,202	665,944,417	619,977,921

APPENDIX B: BUDGET SUMMARY BY FUND

PROPRIETARY FUND

Agency	Actual FY 1988	Actual FY 1989	Actual FY 1990	Actual FY 1991	Authorized FY 1992	Authorized FY 1993
Secretary of State's Office	0	0	0	0	348,143	359,286
State Auditor's Office	0	0	0	118,117	158,608	150,817
Office of Public Instruction	0	0	801,603	854,948	996,089	938,239
Department of Justice	441,329	455,372	545,441	551,123	613,648	633,096
Public Service Regulation	14,687	13,584	17,176	7,714	19,397	19,380
Commissioner of Higher Ed	8,022,471	8,851,508	10,365,127	11,343,214	13,906,294	16,194,510
Historical Society	429,033	598,014	508,686	536,423	547,358	556,568
Fire Services Training School	10,333	11,362	19,096	35,359	0	0
Dept of Fish, Wildlife & Parks	1,917,233	2,031,891	2,029,658	1,911,698	2,407,350	2,426,782
Dept Health & Environ Sciences	0	0	1,038,834	1,017,799	1,576,509	1,602,908
Department of Transportation	16,314,388	16,567,426	13,485,400	13,722,451	14,518,964	14,319,429
Department of State Lands	136,691	184,313	234,405	266,202	189,955	188,732
Department of Revenue	42,965,726	43,597,126	44,079,317	50,373,186	45,508,028	45,453,755
Department of Administration	54,347,067	57,319,892	61,785,044	66,650,256	76,839,057	77,055,413
Long Range Building Program	0	0	8,231	67,638	101,773	0
State Fund	0	0	45,150,318	24,180,228	193,752,659	200,856,096
Department of Agriculture	10,506	8,172	7,784	7,094	11,198	11,251
Dept of Corrections and Human Services	2,012,868	2,094,568	2,020,879	2,585,990	3,446,480	3,144,975
Department of Commerce	28,061,575	17,571,582	81,669,042	86,566,601	101,417,463	92,922,170
Labor & Ind-Employment Servs	2,366,834	2,495,694	2,415,157	2,426,434	4,173,685	4,139,819
Dept Social & Rehab Services	0	0	971,321	1,282,209	2	1
Total Proprietary Fund	157,050,741	151,800,502	267,152,519	264,504,676	460,532,660	460,973,227

CURRENT UNRESTRICTED FUND

Agency	Actual FY 1988	Actual FY 1989	Actual FY 1990	Actual FY 1991	Authorized FY 1992	Authorized FY 1993
Billings Vo Tech	1,765,935	1,950,161	1,796,347	1,856,989	1,980,877	1,914,537
Butte Vo Tech	1,602,168	1,594,658	1,631,800	1,664,373	1,862,001	1,826,391
Great Falls Vo Tech	1,759,515	2,044,908	2,076,518	2,253,704	2,288,741	2,253,192
Helena Vo Tech	2,396,175	2,352,578	2,461,425	2,503,244	2,649,569	2,527,209
Missoula Vo Tech	2,612,446	2,648,105	2,731,652	2,806,596	2,816,300	2,685,370
University of Montana	36,449,789	36,769,137	39,614,737	42,407,646	45,800,849	43,573,772
Montana State University	43,885,948	43,474,416	47,299,259	49,935,926	54,498,518	52,152,867
Mont College of Min Sc & Tech	8,241,772	8,314,157	8,979,617	9,807,986	10,369,899	10,066,906
Eastern Montana College	13,360,590	13,623,186	14,667,196	15,477,885	16,784,794	15,978,391
Northern Montana College	7,783,723	7,915,890	8,386,396	8,354,508	8,858,074	8,628,007
Western Montana College	4,333,900	4,410,855	4,640,674	4,736,880	5,134,941	4,979,446
Agricultural Exper Station	8,552,467	8,783,491	9,132,278	9,578,690	10,172,262	10,360,855
Cooperative Extension Service	3,760,944	3,779,489	4,278,446	4,544,999	4,927,630	5,015,749
Forestry & Cons Exper Station	632,547	644,802	648,302	680,369	727,269	718,006
Bureau of Mines	1,278,502	1,279,051	1,327,155	1,372,629	1,364,169	1,396,319
Unallocated Tuition Increase	0	0	0	0	0	5,178,760
Long Range Building Program	0	0	0	0	4,526,520	0
Total Current Unrestricted Fund	138,416,422	139,584,885	148,344,647	157,981,922	174,798,425	171,265,537

APPENDIX C: AGENCY BUDGET SUMMARY: HB2

Agency/Program	Appropriated FY 1992	Appropriated FY 1993	Appropriated Biennium
LEGISLATIVE AUDITOR			
AUDIT & EXAMINATION PROGRAM			
General Fund	1,138,516	1,207,352	2,345,868
State Special Revenue Fund	1,293,461	1,268,050	2,561,511
TOTAL AGENCY FUNDING	2,431,977	2,475,402	4,907,379
LEGISLATIVE FISCAL ANALYST			
ANALYSIS AND REVIEW			
General Fund	815,153	826,705	1,641,858
TOTAL AGENCY FUNDING	815,153	826,705	1,641,858
LEGISLATIVE COUNCIL			
INTERIM STUDIES & CONFERENCES			
General Fund	441,649		441,649
State Special Revenue Fund	12,000		12,000
LEGISLATIVE COUNCIL			
General Fund	1,523,215	1,910,647	3,433,862
State Special Revenue Fund	1,052,196	505,483	1,557,679
AGENCY FUNDING SUMMARY			
General Fund	1,964,864	1,910,647	3,875,511
State Special Revenue Fund	1,064,196	505,483	1,569,679
TOTAL AGENCY FUNDING	3,029,060	2,416,130	5,445,190
ENVIRONMENTAL QUALITY COUNCIL			
ENVIRONMENTAL QUALITY PROGRAM			
General Fund	277,515	275,875	553,390
State Special Revenue Fund	1,058		1,058
WATER POLICY COMMITTEE			
State Special Revenue Fund	25,393		25,393
AGENCY FUNDING SUMMARY			
General Fund	277,515	275,875	553,390
State Special Revenue Fund	26,451		26,451
TOTAL AGENCY FUNDING	303,966	275,875	579,841
CONSUMER COUNSEL			
ADMINISTRATION PROGRAM			
State Special Revenue Fund	912,382	935,108	1,847,490
TOTAL AGENCY FUNDING	912,382	935,108	1,847,490
JUDICIARY			
SUPREME COURT OPERATIONS			
General Fund	1,458,716	1,471,923	2,930,639
BOARDS AND COMMISSIONS			
General Fund	232,152	232,137	464,289
LAW LIBRARY			
General Fund	721,346	730,591	1,451,937
DISTRICT COURT OPERATIONS			
General Fund	2,640,921	2,834,904	5,475,825
WATER COURTS SUPERVISION			
State Special Revenue Fund	464,337	483,088	947,425
CLERK OF COURT			
General Fund	161,720	163,415	325,135
DISTRICT COURT REIMBURSEMENT			
General Fund	2,680,421	3,058,605	5,739,026
AGENCY FUNDING SUMMARY			
General Fund	7,895,276	8,491,575	16,386,851
State Special Revenue Fund	464,337	483,088	947,425
TOTAL AGENCY FUNDING	8,359,613	8,974,663	17,334,276

APPENDIX C: AGENCY BUDGET SUMMARY: HB2

	FY 1992	FY 1993	BIENNIAL
GOVERNORS OFFICE			
EXECUTIVE OFFICE PROGRAM			
General Fund	972,706	954,491	1,927,197
State Special Revenue Fund	83,221	83,186	166,407
Federal Special Revenue Fund	1		1
MANSION MAINTENANCE PROGRAM			
General Fund	53,627	54,339	107,966
AIR TRANSPORTATION PROGRAM			
General Fund	449,488	119,102	568,590
State Special Revenue Fund	10,000	10,000	20,000
OFFICE OF BUDGET & PROGRAM PLANNING			
General Fund	785,664	766,524	1,552,188
NORTHWEST REGIONAL POWER ACT			
Federal Special Revenue Fund	403,124	402,853	805,977
L.T. GOVERNOR			
General Fund	155,148	143,997	299,145
State Special Revenue Fund	6,000	15,000	21,000
CITIZENS ADVOCATE OFFICE			
General Fund	49,571	49,402	98,973
Federal Special Revenue Fund	15,000	15,000	30,000
MENTAL DISABILITIES BD VISITORS			
General Fund	134,012	134,068	268,080
Federal Special Revenue Fund	47,037	47,037	94,074
AGENCY FUNDING SUMMARY			
General Fund	2,600,216	2,221,923	4,822,139
State Special Revenue Fund	99,221	108,186	207,407
Federal Special Revenue Fund	465,162	464,890	930,052
TOTAL AGENCY FUNDING	3,164,599	2,794,999	5,959,598
SECRETARY OF STATE'S OFFICE			
BUSINESS & GOVERNMENT SERVICES			
General Fund	957,283	931,000	1,888,283
ADMINISTRATIVE CODE PROGRAM			
State Special Revenue Fund	176,432	175,298	351,730
RECORDS MANAGEMENT			
Proprietary Fund	331,332	332,856	664,188
AGENCY FUNDING SUMMARY			
General Fund	957,283	931,000	1,888,283
State Special Revenue Fund	176,432	175,298	351,730
Proprietary Fund	331,332	332,856	664,188
TOTAL AGENCY FUNDING	1,465,047	1,439,154	2,904,201
COMMISSIONER OF POLITICAL PRAC			
ADMINISTRATION			
General Fund	152,548	113,521	266,069
TOTAL AGENCY FUNDING	152,548	113,521	266,069
STATE AUDITOR'S OFFICE			
CENTRAL MANAGEMENT			
General Fund	339,396	268,506	607,902
STATE PAYROLL			
General Fund	222,570	170,690	393,260
State Special Revenue Fund	354,445	353,934	708,379
INSURANCE			
General Fund	899,453	876,523	1,775,976
State Special Revenue Fund		41,850	41,850
SECURITIES			
General Fund	289,191	281,587	570,778
FISCAL CONTROL AND MANAGEMENT			
General Fund	432,547	386,755	819,302
State Special Revenue Fund	146,999	146,832	293,831
Proprietary Fund	149,562	136,588	286,150

APPENDIX C: AGENCY BUDGET SUMMARY: HB2

	FY 1992	FY 1993	BIENNIVIUM
AGENCY FUNDING SUMMARY			
General Fund	2,183,157	1,984,061	4,167,218
State Special Revenue Fund	501,444	542,616	1,044,060
Proprietary Fund	149,562	136,588	286,150
TOTAL AGENCY FUNDING	2,834,163	2,663,265	5,497,428
OFFICE OF PUBLIC INSTRUCTION			
OPI ADMINISTRATION			
General Fund	3,540,725	3,338,426	6,879,151
State Special Revenue Fund	470,021	381,305	851,326
Federal Special Revenue Fund	4,248,382	4,089,022	8,337,404
Proprietary Fund	956,815	887,460	1,844,275
DISTRIBUTION TO PUBLIC SCHOOLS			
General Fund	68,276,077	40,469,352	108,745,429
State Special Revenue Fund	3,908,166	3,914,457	7,822,623
Federal Special Revenue Fund	9,191,600		9,191,600
AGENCY FUNDING SUMMARY			
General Fund	71,816,802	43,807,778	115,624,580
State Special Revenue Fund	4,378,187	4,295,762	8,673,949
Federal Special Revenue Fund	13,439,982	4,089,022	17,529,004
Proprietary Fund	956,815	887,460	1,844,275
TOTAL AGENCY FUNDING	90,591,786	53,080,022	143,671,808
BILLINGS VO TECH			
INSTRUCTION			
Current Unrestricted Fund	1,081,134	983,785	2,064,919
ACADEMIC SUPPORT			
Current Unrestricted Fund	39,460	54,205	93,665
STUDENT SERVICES			
Current Unrestricted Fund	242,037	252,105	494,142
INSTITUTIONAL SUPPORT			
Current Unrestricted Fund	308,356	282,261	590,617
PLANT OPERATION & MAINTENANCE			
Current Unrestricted Fund	241,186	233,880	475,066
AGENCY FUNDING SUMMARY			
Current Unrestricted Fund	1,912,173	1,806,236	3,718,409
TOTAL AGENCY FUNDING	1,912,173	1,806,236	3,718,409
BUTTE VO TECH			
INSTRUCTION			
Current Unrestricted Fund	1,103,552	1,017,940	2,121,492
ACADEMIC SUPPORT			
Current Unrestricted Fund	126,618	126,618	253,236
STUDENT SERVICES			
Current Unrestricted Fund	190,092	195,092	385,184
INSTITUTIONAL SUPPORT			
Current Unrestricted Fund	157,866	166,621	324,487
PLANT OPERATION & MAINTENANCE			
Current Unrestricted Fund	222,119	223,184	445,303
AGENCY FUNDING SUMMARY			
Current Unrestricted Fund	1,800,247	1,729,455	3,529,702
TOTAL AGENCY FUNDING	1,800,247	1,729,455	3,529,702

APPENDIX C: AGENCY BUDGET SUMMARY: HB2

	FY 1992	FY 1993	BIENNIAL
GREAT FALLS VO TECH			
INSTRUCTION			
Current Unrestricted Fund	1,391,031	1,299,508	2,690,539
ACADEMIC SUPPORT			
Current Unrestricted Fund	144,776	144,776	289,552
STUDENT SERVICES			
Current Unrestricted Fund	171,877	129,129	301,006
INSTITUTIONAL SUPPORT			
Current Unrestricted Fund	219,246	261,367	480,613
PLANT OPERATION & MAINTENANCE			
Current Unrestricted Fund	270,449	274,679	545,128
AGENCY FUNDING SUMMARY			
Current Unrestricted Fund	2,197,379	2,109,459	4,306,838
TOTAL AGENCY FUNDING	2,197,379	2,109,459	4,306,838
HELENA VO TECH			
INSTRUCTION			
Current Unrestricted Fund	1,594,530	1,413,103	3,007,633
ACADEMIC SUPPORT			
Current Unrestricted Fund	200,000	262,068	462,068
STUDENT SERVICES			
Current Unrestricted Fund	267,413	243,097	510,510
INSTITUTIONAL SUPPORT			
Current Unrestricted Fund	211,992	180,072	392,064
PLANT OPERATION & MAINTENANCE			
Current Unrestricted Fund	284,710	285,804	570,514
AGENCY FUNDING SUMMARY			
Current Unrestricted Fund	2,558,645	2,384,144	4,942,789
TOTAL AGENCY FUNDING	2,558,645	2,384,144	4,942,789
MISSOULA VO TECH			
INSTRUCTION			
Current Unrestricted Fund	1,540,784	1,359,124	2,899,908
ACADEMIC SUPPORT			
Current Unrestricted Fund	174,909	174,909	349,818
STUDENT SERVICES			
Current Unrestricted Fund	307,368	307,368	614,736
INSTITUTIONAL SUPPORT			
Current Unrestricted Fund	332,817	315,995	648,812
PLANT OPERATION & MAINTENANCE			
Current Unrestricted Fund	348,544	351,483	700,027
AGENCY FUNDING SUMMARY			
Current Unrestricted Fund	2,704,422	2,508,879	5,213,301
TOTAL AGENCY FUNDING	2,704,422	2,508,879	5,213,301
CRIME CONTROL DIVISION			
JUSTICE SYSTEM SUPPORT SERVICE			
General Fund	446,097	459,063	905,160
State Special Revenue Fund	556,939	553,308	1,110,247
Federal Special Revenue Fund	3,437,001	3,466,575	6,903,576
TOTAL AGENCY FUNDING	4,440,037	4,478,946	8,918,983
HIGHWAY TRAFFIC SAFETY			
HIGHWAY TRAFFIC SAFETY DIV			
General Fund	183,080	183,080	366,160
State Special Revenue Fund	75,100	74,686	149,786
Federal Special Revenue Fund	905,627	903,504	1,809,131
TOTAL AGENCY FUNDING	1,163,807	1,161,270	2,325,077

APPENDIX C: AGENCY BUDGET SUMMARY: HB2

	FY 1992	FY 1993	BIENNIAUM
DEPARTMENT OF JUSTICE			
LEGAL SERVICES DIVISION			
General Fund	1,346,366	834,450	2,180,816
State Special Revenue Fund	311,771	212,972	524,743
AGENCY LEGAL SERVICES			
Proprietary Fund	571,894	571,855	1,143,749
GAMBLING CONTROL DIVISION			
State Special Revenue Fund	1,692,792	1,593,607	3,286,399
MOTOR VEHICLE DIVISION			
General Fund	4,924,186	5,234,034	10,158,220
State Special Revenue Fund	124,254	85,419	209,673
Federal Special Revenue Fund	48,537	48,534	97,071
HIGHWAY PATROL DIVISION			
State Special Revenue Fund	11,153,342	10,869,712	22,023,054
Federal Special Revenue Fund	486,937	485,011	971,948
LAW ENFORCEMENT SERVICES DIV			
General Fund	1,068,701	1,034,341	2,103,042
State Special Revenue Fund	348,539	327,085	675,624
Federal Special Revenue Fund	456,706	463,336	920,042
COUNTY ATTORNEY PAYROLL			
General Fund	1,143,773	1,342,224	2,485,997
LAW ENFORCEMENT ACADEMY DIV			
General Fund	604,436	604,157	1,208,593
CENTRAL SERVICES DIVISION			
General Fund	183,621	168,844	352,465
State Special Revenue Fund	215,638	196,952	412,590
Proprietary Fund	10,259	9,401	19,660
DATA PROCESSING DIVISION			
General Fund	653,067	646,532	1,299,599
State Special Revenue Fund	240,969	246,847	487,816
EXTRADITION & TRANSP PRISONERS			
General Fund	143,648	143,640	287,288
FORENSIC SCIENCE DIVISION			
General Fund	881,195	859,740	1,740,935
State Special Revenue Fund	243,667	226,237	469,904
AGENCY FUNDING SUMMARY			
General Fund	10,948,993	10,867,962	21,816,955
State Special Revenue Fund	14,330,972	13,758,831	28,089,803
Federal Special Revenue Fund	992,180	996,881	1,989,061
Proprietary Fund	582,153	581,256	1,163,409
TOTAL AGENCY FUNDING	26,854,298	26,204,930	53,059,228
PUBLIC SERVICE REGULATION			
PUBLIC SERVICE REGULATION PROG			
General Fund	2,096,986	1,949,128	4,046,114
Federal Special Revenue Fund	25,137	25,113	50,250
Proprietary Fund	19,397	19,380	38,777
TOTAL AGENCY FUNDING	2,141,520	1,993,621	4,135,141
BOARD OF PUBLIC EDUCATION			
ADMINISTRATION			
General Fund	108,941	104,458	213,399
State Special Revenue Fund	6,509	6,509	13,018
ADVISORY COUNCIL			
State Special Revenue Fund	72,927	71,527	144,454
AGENCY FUNDING SUMMARY			
General Fund	108,941	104,458	213,399
State Special Revenue Fund	79,436	78,036	157,472
TOTAL AGENCY FUNDING	188,377	182,494	370,871

APPENDIX C: AGENCY BUDGET SUMMARY: HB2

	FY 1992	FY 1993	BIENNIAL
COMMISSIONER OF HIGHER ED			
ADMINISTRATION PROGRAM			
General Fund	937,291	950,444	1,887,735
STUDENT ASSISTANCE PROGRAM			
General Fund	4,852,441	4,918,092	9,770,533
Federal Special Revenue Fund	280,000	280,000	560,000
DDE MATHEMATICS & SCI ED ACT			
Federal Special Revenue Fund	249,842	249,842	499,684
COMMUNITY COLLEGE ASSISTANCE			
General Fund	3,663,222	4,062,612	7,725,834
MUS GROUP INSURANCE PROGRAM			
Proprietary Fund	13,899,932	16,184,457	30,084,389
TALENT SEARCH			
Federal Special Revenue Fund	237,622	237,107	474,729
VO-TECH APPROP. DISTRIB.			
General Fund	8,291,411	7,640,243	15,931,654
C.D. PERKINS ADMIN			
General Fund	92,966	76,970	169,936
Federal Special Revenue Fund	5,115,331	5,098,843	10,214,174
APPROPRIATION DISTRIBUTION			
General Fund	104,637,151	97,202,185	201,839,336
Current Unrestricted Fund		5,178,760	5,178,760
GUARANTEED STUDENT LOAN PGM			
Federal Special Revenue Fund	1,692,180	1,684,673	3,376,853
BOARD OF REGENTS-ADMIN			
General Fund	30,226	30,235	60,461
B OF F BOND PAYMENTS			
General Fund	706,255	698,153	1,404,408
VOTECH CENTER ADMIN.			
General Fund	96,575	96,338	192,913
AGENCY FUNDING SUMMARY			
General Fund	123,307,538	115,675,272	238,982,810
Federal Special Revenue Fund	7,574,975	7,550,465	15,125,440
Proprietary Fund	13,899,932	16,184,457	30,084,389
Current Unrestricted Fund		5,178,760	5,178,760
TOTAL AGENCY FUNDING	144,782,445	144,588,954	289,371,399
 UNIVERSITY OF MONTANA			
INSTRUCTION			
Current Unrestricted Fund	24,188,030	22,133,815	46,321,845
ORGANIZED RESEARCH			
Current Unrestricted Fund	661,517	632,053	1,293,570
PUBLIC SERVICE			
Current Unrestricted Fund	306,560	426,596	733,156
ACADEMIC SUPPORT			
Current Unrestricted Fund	5,696,649	5,569,155	11,265,804
SCHOLARSHIPS & FELLOWSHIPS PGM			
Current Unrestricted Fund	1,228,074	1,228,074	2,456,148
STUDENT SUPPORT			
Current Unrestricted Fund	3,365,151	3,289,749	6,654,900
INSTITUTIONAL SUPPORT			
Current Unrestricted Fund	3,477,326	3,249,568	6,726,894
OPERATION & MAINT OF PLANT			
Current Unrestricted Fund	5,476,334	5,524,124	11,000,458
AGENCY FUNDING SUMMARY			
Current Unrestricted Fund	44,399,641	42,053,134	86,452,775
TOTAL AGENCY FUNDING	44,399,641	42,053,134	86,452,775

APPENDIX C: AGENCY BUDGET SUMMARY: HB2

	FY 1992	FY 1993	BIENNIA
MONTANA STATE UNIVERSITY			
INSTRUCTION			
Current Unrestricted Fund	30,985,324	29,025,294	60,010,618
ORGANIZED RESEARCH			
Current Unrestricted Fund	594,926	562,619	1,157,545
PUBLIC SERVICE			
Current Unrestricted Fund	260,362	347,133	607,495
OPERATION & MAINT OF PLANT			
Current Unrestricted Fund	5,632,546	5,882,825	11,515,371
SCHOLARSHIPS & FELLOWSHIPS PGM			
Current Unrestricted Fund	1,327,730	1,327,730	2,655,460
INSTITUTIONAL SUPPORT			
Current Unrestricted Fund	3,892,939	3,633,525	7,526,464
STUDENT SERVICE			
Current Unrestricted Fund	4,124,051	3,788,847	7,912,898
ACADEMIC SUPPORT			
Current Unrestricted Fund	6,059,105	5,678,742	11,737,847
AGENCY FUNDING SUMMARY			
Current Unrestricted Fund	52,876,983	50,246,715	103,123,698
TOTAL AGENCY FUNDING	52,876,983	50,246,715	103,123,698
MONT COLLEGE OF MIN SC & TECH			
INSTRUCTION			
Current Unrestricted Fund	5,381,255	5,138,391	10,519,646
ORGANIZED RESEARCH			
Current Unrestricted Fund	40,139	36,310	76,449
ACADEMIC SUPPORT			
Current Unrestricted Fund	745,218	697,705	1,442,923
STUDENT SERVICES			
Current Unrestricted Fund	1,201,131	1,115,286	2,316,417
INSTITUTIONAL SUPPORT			
Current Unrestricted Fund	917,636	860,677	1,778,313
OPERATION & MAINT OF PLANT			
Current Unrestricted Fund	1,531,548	1,495,787	3,027,335
SCHOLARSHIPS & FELLOWSHIPS PGM			
Current Unrestricted Fund	201,561	201,561	403,122
INDEPENDENT OPERATIONS			
Current Unrestricted Fund	1,314,849	1,315,623	2,630,472
AGENCY FUNDING SUMMARY			
Current Unrestricted Fund	11,333,337	10,861,340	22,194,677
TOTAL AGENCY FUNDING	11,333,337	10,861,340	22,194,677
EASTERN MONTANA COLLEGE			
INSTRUCTION			
Current Unrestricted Fund	8,174,798	7,806,588	15,981,386
PUBLIC SERVICE			
Current Unrestricted Fund	253,236	249,459	502,695
ACADEMIC SUPPORT			
Current Unrestricted Fund	1,799,459	1,619,991	3,419,450
STUDENT SERVICE			
Current Unrestricted Fund	1,626,309	1,455,147	3,081,456
INSTITUTIONAL SUPPORT			
Current Unrestricted Fund	1,802,732	1,688,394	3,491,126
OPERATION & MAINT OF PLANT			
Current Unrestricted Fund	2,205,127	2,100,075	4,305,202
SCHOLARSHIPS & FELLOWSHIPS PGM			
Current Unrestricted Fund	382,715	382,715	765,430
AGENCY FUNDING SUMMARY			
Current Unrestricted Fund	16,244,376	15,302,369	32,546,745
TOTAL AGENCY FUNDING	16,244,376	15,302,369	32,546,745

APPENDIX C: AGENCY BUDGET SUMMARY: HB2

	FY 1992	FY 1993	BIENNIAUM
NORTHERN MONTANA COLLEGE			
INSTRUCTION			
Current Unrestricted Fund	4,481,607	4,303,795	8,785,402
PUBLIC SERVICE			
Current Unrestricted Fund	8,891	8,891	17,782
ACADEMIC SUPPORT			
Current Unrestricted Fund	783,806	733,880	1,517,686
STUDENT SERVICES			
Current Unrestricted Fund	780,000	713,880	1,493,880
INSTITUTIONAL SUPPORT			
Current Unrestricted Fund	1,036,011	969,751	2,005,762
OPERATION & MAINT OF PLANT			
Current Unrestricted Fund	1,156,288	1,147,153	2,303,441
SCHOLARSHIPS & FELLOWSHIPS PGM			
Current Unrestricted Fund	278,375	278,375	556,750
AGENCY FUNDING SUMMARY			
Current Unrestricted Fund	8,524,978	8,155,725	16,680,703
TOTAL AGENCY FUNDING	8,524,978	8,155,725	16,680,703
WESTERN MONTANA COLLEGE			
INSTRUCTION			
Current Unrestricted Fund	2,515,276	2,426,740	4,942,016
ACADEMIC SUPPORT			
Current Unrestricted Fund	322,111	297,433	619,544
STUDENT SERVICES			
Current Unrestricted Fund	615,049	563,101	1,178,150
INSTITUTIONAL SUPPORT			
Current Unrestricted Fund	645,695	583,314	1,229,009
OPERATION & MAINT OF PLANT			
Current Unrestricted Fund	738,270	704,503	1,442,773
SCHOLARSHIPS & FELLOWSHIPS PGM			
Current Unrestricted Fund	89,683	89,683	179,366
AGENCY FUNDING SUMMARY			
Current Unrestricted Fund	4,926,084	4,664,774	9,590,858
TOTAL AGENCY FUNDING	4,926,084	4,664,774	9,590,858
AGRICULTURAL EXPER STATION			
ORGANIZED RESEARCH			
Current Unrestricted Fund	9,348,039	9,270,852	18,618,891
US RANGE STATION			
Current Unrestricted Fund	389,344	374,295	763,639
AGENCY FUNDING SUMMARY			
Current Unrestricted Fund	9,737,383	9,645,147	19,382,530
TOTAL AGENCY FUNDING	9,737,383	9,645,147	19,382,530
COOPERATIVE EXTENSION SERVICE			
PUBLIC SERVICE			
Current Unrestricted Fund	4,720,605	4,674,936	9,395,541
TOTAL AGENCY FUNDING	4,720,605	4,674,936	9,395,541
FORESTRY & CONS EXPER STATION			
RESEARCH			
Current Unrestricted Fund	700,070	675,404	1,375,474
TOTAL AGENCY FUNDING	700,070	675,404	1,375,474
SCHOOL FOR THE DEAF & BLIND			
ADMINISTRATION PROGRAM			
General Fund	218,414	198,322	416,736
GENERAL SERVICES PROGRAM			
General Fund	251,213	243,044	494,257

APPENDIX C: AGENCY BUDGET SUMMARY: HB2

	FY 1992	FY 1993	BIENNIIUM
STUDENT SERVICES			
General Fund	763,095	745,289	1,508,384
Federal Special Revenue Fund	34,282	34,247	68,529
EDUCATION			
General Fund	1,330,428	1,328,461	2,658,889
State Special Revenue Fund	190,000	190,000	380,000
Federal Special Revenue Fund	131,200	131,200	262,400
AGENCY FUNDING SUMMARY			
General Fund	2,563,150	2,515,116	5,078,266
State Special Revenue Fund	190,000	190,000	380,000
Federal Special Revenue Fund	165,482	165,447	330,929
TOTAL AGENCY FUNDING	2,918,632	2,870,563	5,789,195
MONTANA ARTS COUNCIL			
PROMOTION OF THE ARTS			
General Fund	131,653	11,558	143,211
State Special Revenue Fund	116,778	220,636	337,414
Federal Special Revenue Fund	783,412	209,788	993,200
TOTAL AGENCY FUNDING	1,031,843	441,982	1,473,825
LIBRARY COMMISSION			
STATE LIBRARY OPERATIONS			
General Fund	1,130,244	961,755	2,091,999
State Special Revenue Fund	167,431	153,905	321,336
Federal Special Revenue Fund	1,650,403	368,406	2,018,809
NATURAL RESOURCE INFO SERVICES			
State Special Revenue Fund	236,442	236,440	472,882
Federal Special Revenue Fund	664,871	14,871	679,742
AGENCY FUNDING SUMMARY			
General Fund	1,130,244	961,755	2,091,999
State Special Revenue Fund	403,873	390,345	794,218
Federal Special Revenue Fund	2,315,274	383,277	2,698,551
TOTAL AGENCY FUNDING	3,849,391	1,735,377	5,584,768
MT COUNCIL ON VOCATIONAL EDUCATION			
ADMINISTRATION PROGRAM			
Federal Special Revenue Fund	169,682	165,650	335,332
TOTAL AGENCY FUNDING	169,682	165,650	335,332
HISTORICAL SOCIETY			
ADMINISTRATION PROGRAM			
General Fund	525,203	511,712	1,036,915
State Special Revenue Fund	82,762	82,233	164,995
Federal Special Revenue Fund	33,392	33,383	66,775
LIBRARY PROGRAM			
General Fund	396,256	396,300	792,556
State Special Revenue Fund	2,148	1,559	3,707
Proprietary Fund	27,588	28,316	55,904
MUSEUM PROGRAM			
General Fund	198,340	187,385	385,725
State Special Revenue Fund	19,487	19,487	38,974
Proprietary Fund	4,121	4,121	8,242
PUBLICATIONS			
General Fund	48,135	48,134	96,269
Federal Special Revenue Fund	13,500		13,500
Proprietary Fund	504,152	505,867	1,010,019
HISTORICAL SITES PRESERVATION			
General Fund	66,319	63,717	130,036
Federal Special Revenue Fund	587,189	574,211	1,161,400

APPENDIX C: AGENCY BUDGET SUMMARY: HB2

	FY 1992	FY 1993	BIENNIA
AGENCY FUNDING SUMMARY			
General Fund	1,234,253	1,207,248	2,441,501
State Special Revenue Fund	104,397	103,279	207,676
Federal Special Revenue Fund	634,081	607,594	1,241,675
Proprietary Fund	535,861	538,304	1,074,165
TOTAL AGENCY FUNDING	2,508,592	2,456,425	4,965,017
FIRE SERVICES TRAINING SCHOOL			
FIRE SERVICES TRAINING SCHOOL			
Current Unrestricted Fund	234,986	212,622	447,608
TOTAL AGENCY FUNDING	234,986	212,622	447,608
DEPT OF FISH, WILDLIFE & PARKS			
MANAGEMENT SERVICES DIVISION			
State Special Revenue Fund	1,271,590	1,263,950	2,535,540
Federal Special Revenue Fund	536,048	534,542	1,070,590
Proprietary Fund	2,008,483	2,008,404	4,016,887
FIELD SERVICES DIVISION			
State Special Revenue Fund	2,867,080	2,895,168	5,762,248
Federal Special Revenue Fund	530,924	486,887	1,017,811
Proprietary Fund	106,137	101,115	207,252
FISHERIES DIVISION			
State Special Revenue Fund	2,691,847	2,506,578	5,198,425
Federal Special Revenue Fund	3,922,187	3,910,754	7,832,941
Capital Projects Fund	18,600		18,600
LAW ENFORCEMENT DIVISION			
State Special Revenue Fund	4,096,340	4,129,386	8,225,726
Federal Special Revenue Fund	230,882	230,713	461,595
WILDLIFE DIVISION			
State Special Revenue Fund	5,115,027	2,588,668	7,703,695
Federal Special Revenue Fund	3,738,429	3,683,157	7,421,586
RECREATION & PARKS DIVISION			
General Fund	388,596	388,227	776,823
State Special Revenue Fund	3,526,531	3,554,006	7,080,537
Federal Special Revenue Fund	1,014,215	314,122	1,328,337
Proprietary Fund	284,178	298,990	583,168
CONSERVATION EDUCATION DIV			
State Special Revenue Fund	1,436,473	1,291,174	2,727,647
Federal Special Revenue Fund	206,836	213,238	420,074
ADMINISTRATION			
State Special Revenue Fund	2,014,548	1,844,039	3,858,587
Federal Special Revenue Fund	672,491	650,990	1,323,481
AGENCY FUNDING SUMMARY			
General Fund	388,596	388,227	776,823
State Special Revenue Fund	23,019,436	20,072,969	43,092,405
Federal Special Revenue Fund	10,852,012	10,024,403	20,876,415
Capital Projects Fund	18,600		18,600
Proprietary Fund	2,398,798	2,408,509	4,807,307
TOTAL AGENCY FUNDING	36,677,442	32,894,108	69,571,550
DEPT HEALTH & ENVIRON SCIENCES			
DIRECTOR'S OFFICE			
General Fund	204,191	201,356	405,547
Federal Special Revenue Fund	43,874	43,844	87,718
Proprietary Fund	412,312	409,480	821,792
CENTRAL SERVICES			
General Fund	516,150	476,950	993,100
State Special Revenue Fund	1,141,203	972,694	2,113,897
Federal Special Revenue Fund	213,254	211,795	425,049
Proprietary Fund	885,854	833,663	1,719,517
	FY 1992	FY 1993	BIENNIA

APPENDIX C: AGENCY BUDGET SUMMARY: HB2

ENVIRONMENTAL SCIENCES			
General Fund	822,917	814,875	1,637,792
State Special Revenue Fund	7,081,150	2,163,695	9,244,845
Federal Special Revenue Fund	1,035,422	1,021,350	2,056,772
Proprietary Fund	145,559	142,903	288,462
SOLID/HAZARDOUS WASTE			
General Fund	182,441	180,285	362,726
State Special Revenue Fund	3,286,735	3,291,955	6,578,690
Federal Special Revenue Fund	7,752,013	7,726,383	15,478,396
WATER QUALITY			
General Fund	211,702	204,860	416,562
State Special Revenue Fund	1,335,370	1,326,637	2,662,007
Federal Special Revenue Fund	4,040,270	4,012,434	8,052,704
HEALTH SERVICES/MEDICAL FAC			
General Fund	491,120	485,406	976,526
State Special Revenue Fund	45,753	45,455	91,208
Federal Special Revenue Fund	230,678	231,110	461,788
FAMILY/MCH BUREAU			
General Fund	269,453	266,880	536,333
Federal Special Revenue Fund	17,838,802	18,623,487	36,462,289
PREVENTIVE HEALTH BUREAU			
General Fund	199,076	91,795	290,871
State Special Revenue Fund	60,020	65,874	125,894
Federal Special Revenue Fund	1,397,034	1,384,714	2,781,748
LICENSING AND CERTIFICATION			
General Fund	429,563	485,329	914,892
Federal Special Revenue Fund	1,841,173	1,724,199	3,565,372
AGENCY FUNDING SUMMARY			
General Fund	3,326,613	3,207,736	6,534,349
State Special Revenue Fund	12,950,231	7,866,310	20,816,541
Federal Special Revenue Fund	34,392,520	34,979,316	69,371,836
Proprietary Fund	1,443,725	1,386,046	2,829,771
TOTAL AGENCY FUNDING	52,113,089	47,439,408	99,552,497

DEPARTMENT OF TRANSPORTATION

GENERAL OPERATIONS PROGRAM			
State Special Revenue Fund	7,486,574	7,115,915	14,602,489
Federal Special Revenue Fund	2,138,234	1,986,661	4,124,895
CONSTRUCTION PROGRAM			
State Special Revenue Fund	63,454,325	66,840,533	130,294,858
Federal Special Revenue Fund	142,709,034	144,241,767	286,950,801
MAINTENANCE PROGRAM			
State Special Revenue Fund	48,053,895	47,838,664	95,892,559
STATE MOTOR POOL			
Proprietary Fund	748,341	594,076	1,342,417
EQUIPMENT PROGRAM			
Proprietary Fund	13,390,277	13,249,710	26,639,987
INTERFUND TRANSFERS PROGRAM			
State Special Revenue Fund	14,208,404	17,149,771	31,358,175
STORED INVENTORY			
State Special Revenue Fund	15,460,726	14,901,886	30,362,612
G.V.W.			
State Special Revenue Fund	3,814,029	3,730,926	7,544,955
AERONAUTICS DIVISION			
State Special Revenue Fund	601,253	600,391	1,201,644
Federal Special Revenue Fund	73,599	73,592	147,191
Proprietary Fund	80,857	63,653	144,510
RAIL & TRANSPORTATION DIVISION			
General Fund	537,710	341,074	878,784
State Special Revenue Fund	1,862,102	71,250	1,933,352
Federal Special Revenue Fund	1,380,712	850,835	2,231,547

APPENDIX C: AGENCY BUDGET SUMMARY: HB2

	FY 1992	FY 1993	BIENNIALE
AGENCY FUNDING SUMMARY			
General Fund	537,710	341,074	878,784
State Special Revenue Fund	154,941,308	158,249,336	313,190,644
Federal Special Revenue Fund	146,301,579	147,152,855	293,454,434
Proprietary Fund	14,219,475	13,907,439	28,126,914
TOTAL AGENCY FUNDING	316,000,072	319,650,704	635,650,776
DEPARTMENT OF STATE LANDS			
CENTRAL MANAGEMENT PROGRAM			
General Fund	1,764,635	1,478,927	3,243,562
State Special Revenue Fund	139,892	137,302	277,194
Federal Special Revenue Fund	112,654	112,596	225,250
Proprietary Fund	188,024	185,611	373,635
RECLAMATION PROGRAM			
General Fund	274,691	270,767	545,458
State Special Revenue Fund	4,347,050	4,025,565	5,372,615
Federal Special Revenue Fund	8,717,151	8,724,084	17,441,235
LAND ADMINISTRATION PGM			
General Fund	751,751	803,199	1,554,950
State Special Revenue Fund	325,640	255,819	581,459
FORESTRY			
General Fund	11,267,136	5,678,348	16,945,484
State Special Revenue Fund	3,092,044	3,091,658	6,183,702
Federal Special Revenue Fund	922,738	845,495	1,768,233
AGENCY FUNDING SUMMARY			
General Fund	14,058,213	8,231,241	22,289,454
State Special Revenue Fund	7,904,626	4,510,344	12,414,970
Federal Special Revenue Fund	9,752,543	9,682,175	19,434,718
Proprietary Fund	188,024	185,611	373,635
TOTAL AGENCY FUNDING	31,903,406	22,609,371	54,512,777
DEPARTMENT OF LIVESTOCK			
CENTRALIZED SERVICES PROGRAM			
General Fund	66,693	62,714	129,407
State Special Revenue Fund	369,587	352,623	722,210
Federal Special Revenue Fund	38,170	38,135	76,305
DIAGNOSTIC LABORATORY PROGRAM			
General Fund	269,947	314,978	584,925
State Special Revenue Fund	498,215	453,263	951,478
DISEASE CONTROL PROGRAM			
State Special Revenue Fund	482,783	483,794	966,577
MILK & EGG PROGRAM			
General Fund	150,313	149,680	299,993
Federal Special Revenue Fund	30,707	31,268	61,975
INSPECTION & CONTROL PROGRAM			
State Special Revenue Fund	2,149,285	2,035,776	4,185,061
PREDATORY ANIMAL CONTROL PGM			
State Special Revenue Fund	394,162	292,266	686,428
RABIES CONTROL			
State Special Revenue Fund	15,000	15,000	30,000
MEAT INSPECTION PROGRAM			
General Fund	225,720	225,510	451,230
Federal Special Revenue Fund	225,721	225,510	451,231
AGENCY FUNDING SUMMARY			
General Fund	712,673	752,882	1,465,555
State Special Revenue Fund	3,909,032	3,632,722	7,541,754
Federal Special Revenue Fund	294,598	294,913	589,511
TOTAL AGENCY FUNDING	4,916,303	4,680,517	9,596,820

APPENDIX C: AGENCY BUDGET SUMMARY: HB2

	FY 1992	FY 1993	BIENNIVM
DEPT NAT RESOURCE/CONSERVATION			
CENTRALIZED SERVICES			
General Fund	1,260,541	1,218,000	2,478,541
State Special Revenue Fund	390,391	390,121	780,512
Federal Special Revenue Fund	4,391	4,364	8,755
OIL & GAS REGULATION			
State Special Revenue Fund	1,201,230	1,186,578	2,387,808
CONSERVATION/RESOURCE DEV DIV			
General Fund	34,656	16,517	51,173
State Special Revenue Fund	1,080,555	1,061,823	2,142,378
Federal Special Revenue Fund	89,123	69,220	158,343
WATER RESOURCES & PLANNING			
General Fund	2,242,323	2,386,416	4,628,739
State Special Revenue Fund	4,421,583	2,369,028	6,790,611
Federal Special Revenue Fund	7,178,241	51,022	7,229,263
RESERVED WATER RIGHTS COMPACT COM			
General Fund	127,896	154,055	281,951
State Special Revenue Fund	302,218	301,373	603,591
ENERGY PLANNING			
General Fund	454,801	454,867	909,668
State Special Revenue Fund	1,699,875	1,290,037	2,989,912
Federal Special Revenue Fund	1,200,701	1,429,775	2,630,476
AGENCY FUNDING SUMMARY			
General Fund	4,120,217	4,229,855	8,305,072
State Special Revenue Fund	9,095,852	6,598,960	15,694,812
Federal Special Revenue Fund	8,472,456	1,554,381	10,026,837
TOTAL AGENCY FUNDING	21,688,525	12,383,196	34,071,721
 DEPARTMENT OF REVENUE			
DIRECTOR'S OFFICE			
General Fund	762,024	737,881	1,499,905
State Special Revenue Fund	1,563		1,563
Federal Special Revenue Fund	168,644	168,425	337,069
Proprietary Fund	517,503	428,716	946,219
CENTRALIZED SERVICES DIVISION			
General Fund	702,763	696,539	1,399,302
DATA PROCESSING DIVISION			
General Fund	875,471	871,080	1,746,551
State Special Revenue Fund	78,914	63,126	142,040
Proprietary Fund	450,445	451,108	901,553
LIQUOR DIVISION			
Proprietary Fund	249,743	249,656	499,399
INCOME TAX			
General Fund	3,685,524	3,528,504	7,214,028
State Special Revenue Fund	378,498	368,954	747,452
CORPORATION TAX			
General Fund	1,218,537	1,232,661	2,451,198
State Special Revenue Fund	63,186	63,193	126,379
Federal Special Revenue Fund	129,145	129,156	258,301
PROPERTY VALUATION			
General Fund	11,462,882	11,633,140	23,096,022
AGENCY FUNDING SUMMARY			
General Fund	18,707,201	18,699,805	37,407,006
State Special Revenue Fund	522,161	495,273	1,017,434
Federal Special Revenue Fund	297,789	297,581	595,370
Proprietary Fund	1,217,691	1,129,480	2,347,171
TOTAL AGENCY FUNDING	20,744,842	20,622,139	41,366,981

APPENDIX C: AGENCY BUDGET SUMMARY: HB2

	FY 1992	FY 1993	BIENNIAL
DEPARTMENT OF ADMINISTRATION			
DIRECTOR'S OFFICE			
General Fund	226,802	223,199	450,001
Proprietary Fund	61,572	60,818	122,390
ACCOUNTING PROGRAM			
General Fund	1,022,536	963,329	1,985,865
Proprietary Fund	29,350	29,297	58,647
ARCH & ENGINEERING PGM			
State Special Revenue Fund	736,344	747,323	1,483,667
Capital Projects Fund	715,248	726,222	1,441,470
PROCUREMENT & PRINTING DIV.			
General Fund	402,721	401,595	804,316
Proprietary Fund	9,631,146	10,011,427	19,642,573
INFORMATION SERVICES DIVISION			
Proprietary Fund	18,965,208	18,413,147	37,378,355
GENERAL SERVICES PROGRAM			
General Fund	347,513	353,779	701,292
Capital Projects Fund	58,419	58,426	116,845
Proprietary Fund	3,317,539	3,399,413	6,716,952
MAIL & DISTRIBUTION BUREAU			
Proprietary Fund	1,823,799	1,822,821	3,646,620
STATE PERSONNEL DIVISION			
General Fund	860,219	844,875	1,705,094
State Special Revenue Fund	10,000	10,000	20,000
Proprietary Fund	618,077	619,149	1,237,226
TORT CLAIMS DIVISION			
Proprietary Fund	2,608,168	2,653,202	5,261,370
STATE TAX APPEAL BOARD			
General Fund	368,733	364,047	732,780
AGENCY FUNDING SUMMARY			
General Fund	3,228,524	3,150,824	6,379,348
State Special Revenue Fund	746,344	757,323	1,503,667
Capital Projects Fund	773,667	784,648	1,558,315
Proprietary Fund	37,054,859	37,009,274	74,064,133
TOTAL AGENCY FUNDING	41,803,394	41,702,069	83,505,463
STATE COMP. MUTUAL INS. FUND			
ST. COMP. MUTUAL INS. FUND			
State Special Revenue Fund	25,082		25,082
Proprietary Fund	123,385,340	130,286,402	253,671,742
TOTAL AGENCY FUNDING	123,410,422	130,286,402	253,696,824
PUBLIC EMPLOYEES' RETIREMENT BD			
PUBLIC EMPLOYEES' RETIREMENT			
Non-expendable Trust Fund	1,225,568	953,166	2,178,734
TOTAL AGENCY FUNDING	1,225,568	953,166	2,178,734
TEACHERS' RETIREMENT BOARD			
TEACHERS' RETIREMENT PROGRAM			
Non-expendable Trust Fund	665,703	569,602	1,235,305
TOTAL AGENCY FUNDING	665,703	569,602	1,235,305
DEPARTMENT OF AGRICULTURE			
CENTRALIZED SERVICES DIVISION			
General Fund	202,644	177,241	379,885
State Special Revenue Fund	188,091	188,060	376,151
Federal Special Revenue Fund	24,504	24,448	48,952
Expendable Trust Fund	33,509	33,443	66,952
STATE GRAIN LABORATORY			
State Special Revenue Fund	520,480	501,981	1,022,461
ENVIRONMENTAL MANAGEMENT DIV			
General Fund	224,622	111,959	336,581
State Special Revenue Fund	2,144,746	2,265,983	4,410,729
Federal Special Revenue Fund	326,289	326,213	652,502

APPENDIX C: AGENCY BUDGET SUMMARY: HB2

	FY 1992	FY 1993	BIENNIUM
PLANT INDUSTRY DIVISION			
General Fund	448,926	443,564	892,490
State Special Revenue Fund	143,851	146,063	289,914
Federal Special Revenue Fund	9,144	9,189	18,333
Proprietary Fund	11,198	11,251	22,449
AGRICULTURAL DEVELOPMENT			
General Fund	215,674	210,854	426,528
State Special Revenue Fund	1,751,048	1,755,791	3,506,839
Federal Special Revenue Fund	82,696	83,491	166,187
Expendable Trust Fund	251,536	252,580	504,116
AGENCY FUNDING SUMMARY			
General Fund	1,091,866	943,618	2,035,484
State Special Revenue Fund	4,748,216	4,857,878	9,606,094
Federal Special Revenue Fund	442,633	443,341	885,974
Proprietary Fund	11,198	11,251	22,449
Expendable Trust Fund	285,045	286,023	571,068
TOTAL AGENCY FUNDING	6,578,958	6,542,111	13,121,069
DEPARTMENT OF CORRECTIONS/HUMAN SERV.			
CENTRAL OPERATIONS			
General Fund	1,805,702	1,701,647	3,507,349
State Special Revenue Fund	41,150		41,150
Federal Special Revenue Fund	8,512		8,512
Proprietary Fund	6,838		6,838
CORRECTIONS SYSTEMS			
General Fund	24,550,987	23,016,762	47,567,749
State Special Revenue Fund	1,358,265	1,358,774	2,717,039
Federal Special Revenue Fund	155,023	155,056	310,079
Proprietary Fund	3,077,232	3,080,854	6,158,086
MENTAL HEALTH SYSTEM			
General Fund	29,635,368	30,235,167	59,870,535
State Special Revenue Fund	742,323	753,509	1,495,832
Federal Special Revenue Fund	1,417,451	1,323,722	2,741,173
CHEMICAL DEPENDENCY SYSTEM			
General Fund	243,489	260,101	503,590
State Special Revenue Fund	1,556,082	1,544,395	3,100,477
Federal Special Revenue Fund	2,626,198	2,106,021	4,732,219
DEVELOPMENTAL DISABILITY SYSTEM			
General Fund	13,950,384	12,936,440	26,886,824
State Special Revenue Fund	30,227	30,251	60,478
Federal Special Revenue Fund	13,356	2,440	15,796
VETERANS' NURSING HOME PROGRAM			
General Fund	617,337	639,181	1,256,518
State Special Revenue Fund	1,223,606	1,259,167	2,482,773
Federal Special Revenue Fund	851,408	855,109	1,706,517
AGENCY FUNDING SUMMARY			
General Fund	70,803,267	68,789,298	139,592,565
State Special Revenue Fund	4,951,653	4,946,096	9,897,749
Federal Special Revenue Fund	5,071,948	4,442,348	9,514,296
Proprietary Fund	3,084,070	3,080,854	6,164,924
TOTAL AGENCY FUNDING	83,910,938	81,258,596	165,169,534
DEPARTMENT OF COMMERCE			
PUBLIC SAFETY DIVISION			
State Special Revenue Fund	70,842	70,841	141,683
Proprietary Fund	65,802	65,250	131,052
WEIGHT & MEASURES BUREAU			
General Fund	488,249	406,477	894,726
FINANCIAL DIVISION			
State Special Revenue Fund	851,380	825,691	1,677,071
MILK CONTROL BUREAU			
State Special Revenue Fund	284,338	284,272	568,610

APPENDIX C: AGENCY BUDGET SUMMARY: HB2

	FY 1992	FY 1993	BIENNIAL
POL BUREAU			
State Special Revenue Fund	2,263,933	2,213,663	4,477,596
Proprietary Fund	940,667	921,584	1,862,251
BUSINESS DEVELOPMENT DIVISION			
General Fund	743,257	716,109	1,459,366
State Special Revenue Fund	581,826	578,835	1,160,661
Federal Special Revenue Fund	2,548,327	2,573,020	5,121,347
MONTANA PROMOTION DIVISION			
State Special Revenue Fund	5,797,488	6,110,187	11,907,675
COMMUNITY DEVELOPMENT BUREAU			
General Fund	221,939	250,837	472,776
State Special Revenue Fund	2,298,287	1,160,916	3,459,203
Federal Special Revenue Fund	21,112,662	21,110,806	42,223,468
OFFICE OF RES. & INFO SERVICES			
General Fund	355,127	305,375	660,502
LOCAL GOV'T SERVICES-AUDIT			
General Fund	86,770	86,737	173,507
Proprietary Fund	1,257,791	1,245,866	2,503,657
LOCAL GOV'T SERVICES-SYSTEMS			
General Fund	49,741	49,605	99,346
Proprietary Fund	187,406	186,329	373,735
LOCAL GOVT ASSISTANCE ADMIN			
Proprietary Fund	115,768	115,810	231,578
BUILDING CODES BUREAU			
General Fund	30,183	30,016	60,199
State Special Revenue Fund	1,415,536	1,220,959	2,636,495
INDIAN AFFAIRS COORDINATOR			
General Fund	98,676	95,457	194,133
Federal Special Revenue Fund	97,536	96,992	194,528
HEALTH FACILITIES AUTHORITY			
Proprietary Fund	122,241	116,093	238,334
MT SCIENCE & TECH ALLIANCE			
General Fund	455,881	459,420	915,301
BOARD OF HOUSING			
Proprietary Fund	2,029,321	1,965,745	3,995,066
INVESTMENTS DIVISION			
Proprietary Fund	1,716,536	1,658,140	3,374,676
MONTANA STATE LOTTERY			
Proprietary Fund	6,604,302	6,339,075	12,943,377
BOARD OF HORSE RACING			
State Special Revenue Fund	303,115	302,820	605,935
DIRECTOR/MANAGEMENT SERVICES			
General Fund	93,004	92,820	185,824
Proprietary Fund	828,390	748,881	1,577,271
AGENCY FUNDING SUMMARY			
General Fund	2,622,827	2,492,853	5,115,680
State Special Revenue Fund	13,866,745	12,768,184	26,634,929
Federal Special Revenue Fund	23,758,525	23,780,818	47,539,343
Proprietary Fund	13,868,224	13,362,773	27,230,997
TOTAL AGENCY FUNDING	54,116,321	54,404,628	106,520,949
LABOR & INDUSTRY			
JOB SERVICE DIVISION			
State Special Revenue Fund	88,244	88,236	176,480
Federal Special Revenue Fund	11,760,906	11,708,996	23,469,902
UNEMPLOYMENT INSURANCE			
Federal Special Revenue Fund	3,867,800	3,803,653	7,671,453
COMMISSIONER/CENTRALIZED SERV			
Proprietary Fund	2,777,316	2,664,153	5,441,469

APPENDIX C: AGENCY BUDGET SUMMARY: HB2

	FY 1992	FY 1993	BIENNIUM
EMPLOYMENT RELATIONS			
General Fund	423,224	394,028	817,252
State Special Revenue Fund	1,403,533	1,356,435	2,759,968
Federal Special Revenue Fund	680,030	684,365	1,364,395
Proprietary Fund	389,277	389,094	778,371
LEGAL SERVICES DIVISION			
State Special Revenue Fund	243,463	244,610	488,073
Federal Special Revenue Fund	458,877	461,562	920,439
Proprietary Fund	133,095	132,946	266,041
RESEARCH, SAFETY AND TRAINING			
State Special Revenue Fund	727,437	728,061	1,455,498
Federal Special Revenue Fund	2,027,353	1,995,263	4,022,616
HUMAN RIGHTS COMMISSION			
General Fund	299,899	296,753	596,652
Federal Special Revenue Fund	101,470	101,463	202,933
WORKERS COMPENSATION JUDGE			
State Special Revenue Fund	356,165	355,643	711,808
JOB TRAINING GRANTS			
Federal Special Revenue Fund	16,090,849	16,841,944	32,932,793
AGENCY FUNDING SUMMARY			
General Fund	723,123	690,781	1,413,904
State Special Revenue Fund	2,818,842	2,772,985	5,591,827
Federal Special Revenue Fund	34,987,285	35,597,246	70,584,531
Proprietary Fund	3,299,688	3,186,193	6,485,881
TOTAL AGENCY FUNDING	41,828,938	42,247,205	84,076,143
ADJUTANT GENERAL			
ADMINISTRATION PROGRAM			
General Fund	222,639	211,901	434,540
ARMY NATIONAL GUARD PGM			
General Fund	997,170	802,778	1,799,948
Federal Special Revenue Fund	1,149,120	1,197,244	2,346,364
AIR NATIONAL GUARD PGM			
General Fund	193,457	181,401	374,858
Federal Special Revenue Fund	1,444,315	1,411,460	2,855,775
DISASTER COORDINATION RESPONSE			
General Fund	221,290	216,609	437,899
Federal Special Revenue Fund	239,271	234,558	473,829
EMERGENCY MGMT DEVELOPMENT			
Federal Special Revenue Fund	313,405	309,762	623,167
LOCAL REIMBURSEMENT-DES			
Federal Special Revenue Fund	564,000	540,000	1,104,000
VETERANS AFFAIRS PROGRAM			
General Fund	471,985	465,821	937,806
State Special Revenue Fund	32,172	41,169	73,341
Federal Special Revenue Fund	35,557	80,456	116,013
AGENCY FUNDING SUMMARY			
General Fund	2,106,541	1,878,510	3,985,051
State Special Revenue Fund	32,172	41,169	73,341
Federal Special Revenue Fund	3,745,668	3,773,480	7,519,148
TOTAL AGENCY FUNDING	5,884,381	5,693,159	11,577,540
DEPT SOCIAL & REHAB SERVICES			
FAMILY ASSISTANCE			
General Fund	17,619,178	18,019,854	35,639,032
State Special Revenue Fund	835,685	869,113	1,704,798
Federal Special Revenue Fund	51,646,324	52,956,117	104,602,441
ELIGIBILITY DETERMINATION PGM			
General Fund	2,413,835	2,361,200	4,775,035
State Special Revenue Fund	2,436,980	2,434,448	4,871,428
Federal Special Revenue Fund	4,523,828	4,519,060	9,042,888

APPENDIX C: AGENCY BUDGET SUMMARY: HB2

	FY 1992	FY 1993	BIENNIAUM
ADMINISTRATIVE & SUPPORT SVS			
General Fund	683,692	616,482	1,300,174
State Special Revenue Fund	324,772	319,872	644,644
Federal Special Revenue Fund	1,614,899	1,544,810	3,159,709
CHILD SUPPORT ENFORCEMENT			
State Special Revenue Fund	1,345,673	1,326,881	2,672,554
Federal Special Revenue Fund	2,709,659	2,712,186	5,421,845
STATE-ASSUMED COUNTY ADMIN.			
General Fund	606,151	596,195	1,202,346
Federal Special Revenue Fund	500,578	500,752	1,001,330
MEDICAID SERVICES			
General Fund	60,109,549	59,663,795	119,773,344
State Special Revenue Fund	7,724,929	7,975,494	15,700,423
Federal Special Revenue Fund	183,404,878	189,408,368	372,813,246
AUDIT AND PRO. COMPLIANCE DIV.			
General Fund	575,770	567,733	1,143,503
State Special Revenue Fund	7,445	7,430	14,875
Federal Special Revenue Fund	809,479	809,185	1,618,664
OFFICE OF MGMT, ANALY & SYST			
General Fund	2,136,292	2,540,890	4,677,182
State Special Revenue Fund	797,648	875,876	1,673,524
Federal Special Revenue Fund	5,367,148	4,796,898	10,164,046
VOCATIONAL REHABILITATION PGM			
General Fund	1,173,100	1,226,263	2,399,363
State Special Revenue Fund	688,058	687,966	1,376,024
Federal Special Revenue Fund	6,656,889	6,720,261	13,377,150
DISABILITY DETERMINATION PGM			
Federal Special Revenue Fund	2,655,318	2,654,349	5,309,667
VISUAL SERVICES PRGM			
General Fund	287,523	293,850	581,373
Federal Special Revenue Fund	989,970	1,011,013	2,000,983
DEVELOPMENTAL DISAB PROGRAM			
General Fund	11,827,512	13,759,767	25,587,279
Federal Special Revenue Fund	18,988,729	21,082,675	40,071,404
DEVELOP DISAB ADVIS COUNCIL			
Federal Special Revenue Fund	347,173	347,176	694,349
AGENCY FUNDING SUMMARY			
General Fund	97,432,602	99,646,029	197,078,631
State Special Revenue Fund	14,161,190	14,497,080	28,658,270
Federal Special Revenue Fund	280,214,872	289,062,850	569,277,722
TOTAL AGENCY FUNDING	391,808,664	403,205,959	795,014,623
 DEPARTMENT OF FAMILY SERVICES			
MANAGEMENT SUPPORT			
General Fund	1,908,810	1,732,279	3,641,089
State Special Revenue Fund	14,806	14,784	29,590
Federal Special Revenue Fund	672,272	609,132	1,281,404
COMMUNITY SERVICES			
General Fund	23,159,823	21,945,867	45,105,690
State Special Revenue Fund	2,607,131	2,614,818	5,221,949
Federal Special Revenue Fund	15,754,165	16,241,213	31,995,378
MOUNTAIN VIEW			
General Fund	1,999,597	2,015,369	4,014,966
State Special Revenue Fund	3,134	3,135	6,269
Federal Special Revenue Fund	103,807	103,877	207,684
PINE HILLS			
General Fund	3,267,001	3,281,879	6,548,880
State Special Revenue Fund	320,045	326,180	646,225
Federal Special Revenue Fund	303,489	303,344	606,833

APPENDIX C: AGENCY BUDGET SUMMARY: HB2

	FY 1992	FY 1993	BIENNIUM
AGENCY FUNDING SUMMARY			
General Fund	30,335,231	28,975,394	59,310,625
State Special Revenue Fund	2,945,116	2,958,917	5,904,033
Federal Special Revenue Fund	16,833,733	17,257,566	34,091,299
TOTAL AGENCY FUNDING	50,114,080	49,191,877	99,305,957
STATE FUNDING SUMMARY			
General Fund	482,147,469	438,123,204	920,270,673
State Special Revenue Fund	281,411,612	268,708,258	550,119,870
Federal Special Revenue Fund	606,326,156	597,371,479	1,203,697,635
Capital Projects Fund	792,267	784,648	1,576,915
Proprietary Fund	216,646,144	224,634,133	441,280,277
Expendable Trust Fund	285,045	286,023	571,068
Non-expendable Trust Fund	1,891,271	1,522,768	3,414,039
Current Unrestricted Fund	164,871,309	162,209,099	327,080,408
TOTAL STATE FUNDING	1,754,371,273	1,693,639,612	3,448,010,935

APPENDIX D: APPROPRIATIONS OTHER THAN HOUSE BILL 2

(Excludes Language and Statutory Appropriations)

FISCAL 1991		1993 BIENNIUM		SUBJECT
GENERAL	OTHER	GENERAL	OTHER	
HB1	\$4,499,497		536,368	Legislative Feed Bill
HB3	19,846,383	\$66,632,539		FY91 Supplemental Appropriations
HB4		21,819,004		Budget Amendments
HB5		\$1,767,500	\$61,462,461	Capital Projects
HB6			2,363,986	Water Development/Renewable Resource
HB8			4,160,773	Reclamation & Development Grants
HB9			1,296,080	Cultural & Aesthetic Project Grants
HB10			2,835,000	Oil Overcharge
HB20			25,000	Service Women's Memorial
HB30		600,000	346,518	Education Telecommunication Network
HB77		531,760		Retirement Contribution For Highway Patrol
HB93		2,493,027	6,349,341	Increase Medicaid Rates To Nursing Facilities
HB125		175,648		American Indian/Minority Achievement
HB131		10,000		Burial Site Protection
HB142		61,710		Postsecondary Education Study Committee
HB179		45,601		Maintenance Of State Veterans' Cemetery
HB234			3,699,237	Veterans' Home
HB251			70,000	Actuarial Consulting Services/Conduct Study
HB340		980,838		Forest Productivity Determination
HB365		60,000		Genetic Engineering
HB371		200,000		In-home Services
HB477		64,600	3,250,000	Microbusiness Finance
HB489		266,186	112,996	Clothing Allowance For Children In Foster Care
HB491		50,000		Respite Care For Foster Children
HB508			7,346	Pacific Northwest Economic Region
HB509	64,200	33,876,000	33,974,000	Pay Plan
HB524			70,000	Develop Wind Farms
HB528	8,000			Site Selection Womens' Correctional Facility
HB569		286,589	276,624	DFS Management Information System
HB579		1,359,024		Statewide Motor Vehicle Computer System
HB684			750,000	Clean Coal/MHD
HB696		1,069,299		Voluntary Statewide Genetics Program
HB704			220,000	Apprenticeship Instruction Program
HB728			136,957	State Advisory Council On Food/Nutrition
HB746		6,000		Monument To American Indians
HB777			400,000	Energy Conservation
HB876		12,880		Revise/continue Miami Project
HB903		386,400	200,000	Court Automation
HB909			32,243	Gambling Addiction Counselors
HB953			74,580	Annual Cosmetology Examinations
HB959		186,930		Pay When File Estimated Tax
HB966		34,040		Study Uses Of Montana State Hospital
HB978		60,000	153,523	Seek Waiver/Provide Svcs Pers Care Facilities
HB990		644,000		Lewis And Clark Trail Interpretive Center
HB999		2,273,320		Education Pgms For Children With Disabilities
HB1010			100,000	Estab Hard Rock Min Impact Tr Resv Act
SB94			200,000	Establish Ground Water Monitoring Program
SB105			2,000,000	Medical Facility Construction
SB425			30,000	Lease Existing Water Rights
TOTAL	\$24,418,080	\$88,451,543	\$48,037,720	\$124,596,665

1992-93 Budget and Appropriations Summary



INDEX

INDEX

Administration, Dept. of	25	State Auditors Office	61
Agency Budget Summary: HB2 (Appendix C)		State Compensation Mutual	
Adjutant General	76	Insurance Fund	73
Administration, Dept. of	73	State Funding Summary	78
Agricultural Experiment Station	67	State Lands, Dept. of	71
Agriculture, Dept. of	73	Teachers Retirement Board	73
Billings Vocational Technical Center	62	University of Montana	65
Board of Public Education	64	Western Montana College	67
Butte Vocational Technical Center	62	Appropriation Constraints and Policy	49
Commerce, Dept. of	74	Appropriations Other Than	
Commissioner of Higher Education	65	House Bill 2 (Appendix D)	79
Commissioner of Political Practice	61	Board of Public Education	40
Consumer Counsel	60	Budget Summary by Fund (Appendix B)	
Cooperative Extension Service	67	Current Unrestricted Fund	59
Corrections and Human Services, Dept. of	74	Federal Revenue Fund	58
Crime Control Division	63	General Fund	56
Eastern Montana College	66	Proprietary Fund	59
Environmental Quality Council	60	State Special Revenue Fund	59
Family Services, Dept. of	77	Capital Improvement Projects (Appendix A)	
Fire Services Training School	69	House Bill 5	53
Fish, Wildlife & Parks, Dept. of	69	Clark Fork River Basin	
Forestry & Conservation Experiment Station	67	Natural Resource Damage Lawsuit	30
Governors Office	61	Coal Severance Tax Distribution	36
Great Falls Vocational Technical Center	63	Commerce, Dept. of	29
Health & Environmental Sciences, Dept. of	69	Community Colleges	42
Helena Vocational Technical Center	63	Corrections and Human Services	37
Highway Traffic Safety	63	Foundation and Guaranteed	
Transportation, Dept. of	70	Tax Base Summary	18
Historical Society	68	Foundation Program Revenues	16
Judiciary	60	Fund Transfers and Other Actions to	
Justice, Dept. of	64	Increase General Fund Revenues	10
Labor & Industry	75	General Fund Disbursements	
Legislative Auditor	60	and Appropriations	5
Legislative Council	60	General Fund and Foundation Program	
Legislative Fiscal Analyst	60	Disbursements and Appropriations	6
Library Commission	68	General Fund Revenue Estimates	9
Livestock, Dept. of	71	General Fund Revenues	8
Missoula Vocational Technical Center	63	General Fund Summary	15
Montana Arts Council	68	General Government	22
Montana College of Mineral		General Government and Transportation	21
Science & Technology	66	Health and Environmental Sciences	29
Montana Council on Vocational Education	68	High-Hazard Dams	31
Montana State University	66	Higher Education	41
Natural Resource/Conservation, Dept. of	72	Human Services	27
Northern Montana College	67	Hunting and Fishing License Fees	32
Office of Public Instruction	62	Judicial Branch	21
Public Employees Retirement Board	73	Justice, Dept. of	24
Public Service Regulation	64	K-12 Education	39
Revenue, Dept. of	72	Labor and Industry	28
School for the Deaf & Blind	67	Legislative Branch	21
Secretary of State's Office	61	Long-Range Building Program	47
Social & Rehabilitation Services, Dept of	76	Major Budget Issues	19

INDEX

Natural Resources and Commerce	29
Northern Cheyenne Water Compact	31
Public School Support	39
Resource Indemnity Trust Fund	33
Retirement Bills	26
Schedule of Contribution Rates	26
Social and Rehabilitation Services, Dept. of .	27
State Employee Pay	46
State Trust Land Access for Recreational Purposes	30
Transportation, Dept. of	23
Vocational-Technical System	42
Water Storage	32
Wildlife Game Ranges	33



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